

# MICKEY LELAND CHILDHOOD HUNGER RELIEF ACT

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4. AG 8/1:103-18

Mickey Leland Childhood Hunger Reli...

**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON DEPARTMENT OPERATIONS  
AND NUTRITION  
OF THE  
COMMITTEE ON AGRICULTURE  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED THIRD CONGRESS

FIRST SESSION

ON

**H.R. 529**

APRIL 28, 1993

**Serial No. 103-18**



Printed for the use of the Committee on Agriculture

U.S. GOVERNMENT PRINTING OFFICE

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# MICKEY LELAND CHILDHOOD HUNGER RELIEF ACT

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WEDNESDAY, APRIL 28, 1993

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON DEPARTMENT  
OPERATIONS AND NUTRITION,  
COMMITTEE ON AGRICULTURE,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 3 p.m., in room 1300, Longworth House Office Building, Hon. Charles W. Stenholm (chairman of the subcommittee) presiding.

Present: Representatives Dooley, English, McKinney, Bishop, Volkmer, Clayton, Holden, Lambert, Smith, Emerson, Gunderson, Allard, Barrett, Ewing, and Canady.

Staff present: Julia M. Paradis, assistant counsel; John E. Hogan, minority counsel; Glenda L. Temple, clerk; Anita R. Brown, Rob Wight, Lynn Gallagher, and Pete Thomson.

## OPENING STATEMENT OF HON. CHARLES W. STENHOLM, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. STENHOLM. If we could have order, we'll convene the subcommittee.

Good afternoon. Welcome to this first hearing of the subcommittee on the issue of nutrition. It is appropriate that this first hearing address legislation that has been sponsored in the 101st, 102d, and 103d Congresses by our former chairman to the Nutrition Subcommittee, Leon Panetta.

As most of you know, the Mickey Leland Childhood Hunger Relief Act is the heart of the administration's proposal that was formally delivered this afternoon by Secretary Espy to the full Committee on Agriculture. Many of you heard Secretary Espy testify before the full Agriculture Committee on the need for this legislation. It will make needed changes in the food stamp program and the emergency food assistance program to help them more effectively meet the needs of children. As I have often said before, we owe it to our kids and to our Nation to make sure that our children are well nourished, for that is one of the best investments we can make in our own future.

The Agriculture Committee has always been a strong supporter of our domestic feeding programs, and it has worked for years to fashion effective and efficient programs that will serve those in need. I was impressed by the chairman's list of activities of the Agriculture Committee over the last 6 years addressing both domestic and international hunger. Our subcommittee will continue in this

excellent tradition and in the hardworking tradition of the Select Committee on Hunger and its chairmen, the late Mickey Leland and Congressman Tony Hall. There can be no question about the commitment of these men to alleviate hunger here and abroad, and this subcommittee shares that commitment.

The food stamp program and TEFAP enjoy almost universal support in the Congress, but still we have hungry people. I am concerned about this situation, that there are still hungry people even though we spend tens of billions of dollars each year to alleviate hunger. I hope some of our witnesses today can help us understand why this is so. In the richest country in the world that produces the cheapest food in the world, I do not understand why people are still hungry. As a food producer, I am concerned about this situation.

I look forward to hearing this afternoon how the Mickey Leland legislation can help address this issue. I welcome all of our witnesses and look forward to your testimony.

Mr. Smith.

Mr. SMITH. I have a statement for the record.

Mr. STENHOLM. Without objection, your prepared statement will appear in the record. Also, any prepared statements from members of the committee will appear at this point in the record.

Mr. SMITH. Thank you, Mr. Chairman.

[The prepared statements of Mr. Smith, Mr. Canady, and H.R. 529 follow:]



THE HONORABLE BOB SMITH  
SUBCOMMITTEE ON DEPARTMENT OPERATIONS AND NUTRITION  
THE MICKEY LELAND CHILDHOOD HUNGER RELIEF ACT

APRIL 28, 1993

THANK YOU MR. CHAIRMAN. THE PURPOSE OF OUR HEARING TODAY IS TO REVIEW H.R. 529, THE MICKEY LELAND CHILDHOOD HUNGER RELIEF ACT. I WOULD LIKE TO DISCUSS A BRIEF HISTORY OF THE LELAND BILL. THIS BILL, IN A SIMILAR FORM, WAS FIRST INCLUDED AS A PART OF THE 1990 FARM BILL. THE BUDGET RESOLUTION ADOPTED BY THE HOUSE OF REPRESENTATIVES IN 1990 PROVIDED FUNDS FOR THE MICKEY LELAND BILL. HOWEVER, THE FINAL 1990 BUDGET SUMMIT AGREEMENT DID NOT. SUBSEQUENTLY, THE CHANGES TO THE FOOD STAMP PROGRAM THAT WERE INCLUDED IN THE 1990 FARM BILL WERE DROPPED IN THE CONFERENCE WITH THE SENATE BECAUSE FUNDING WAS NOT SUFFICIENT.

IN NOVEMBER 1991, THE AGRICULTURE COMMITTEE REPORTED THE MICKEY LELAND CHILDHOOD HUNGER RELIEF ACT. AT THAT TIME, WITH PAY-AS-YOU-GO RULES APPLYING, QUESTIONS REGARDING THE SOURCE OF THE FUNDING FOR ADDITIONAL COSTS TO THE FOOD STAMP PROGRAM RESULTING FROM THE LELAND BILL WERE UNANSWERED.

LATER, THE HOUSE LEADERSHIP DETERMINED THAT THE LELAND BILL, ALONG WITH OTHER LEGISLATION FROM THE WAYS AND MEANS COMMITTEE, WOULD BE CONSIDERED BY THE HOUSE IN AUGUST 1992. THE FUNDING SOURCE WAS DETERMINED TO BE INCREASED TAXES AND THE RESULT WAS PASSAGE OF THE BILL BY THE HOUSE OF REPRESENTATIVES, ON BASICALLY A PARTY-LINE VOTE, AND NO ACTION BY THE SENATE.

THAT BRINGS US TO TODAY'S HEARING. H.R. 529, THE MICKEY LELAND CHILDHOOD HUNGER RELIEF ACT PROPOSES SEVERAL CHANGES TO THE FOOD STAMP PROGRAM, AT A COST, ACCORDING TO CBO, OF OVER \$6 BILLION OVER A FIVE YEAR PERIOD. THE 1994 BUDGET RESOLUTION INCLUDES FUNDING FOR THIS BILL; NEVERTHELESS, SEVERAL QUESTIONS ARISE AS TO THE SOURCE OF THE FUNDING; WHETHER SUCH FUNDING WILL INCLUDED IN THE RECONCILIATION BILL, AND, IF AGRICULTURE PROGRAMS WILL BE REDUCED TO ACCOMMODATE ADDITIONAL MONEY FOR THE FOOD STAMP PROGRAM. IT IS ESSENTIAL THAT THESE QUESTIONS BE ANSWERED BEFORE THE AGRICULTURE COMMITTEE ACTS ON THE BILL BEFORE US TODAY.

THE FOOD STAMP PROGRAM IS THE LARGEST PROVIDER OF FOOD ASSISTANCE TO NEEDY FAMILIES. IT PROVIDES HELP TO OVER 28 MILLION PEOPLE EACH MONTH AND TO OVER 43 MILLION PEOPLE EACH

YEAR. THE COST OF THE FOOD STAMP PROGRAM IS ESTIMATED TO BE OVER \$25 BILLION THIS YEAR.

THE 1994 CONGRESSIONAL BUDGET RESOLUTION AND THE ADMINISTRATION'S 1994 BUDGET PROPOSE INCREASES ABOVE THE BASELINE FOR THE FOOD STAMP PROGRAM IN SIGNIFICANT AMOUNTS.

I WANT TO SEE THAT THE FOOD STAMP PROGRAM PROVIDES NECESSARY FOOD ASSISTANCE TO NEEDY FAMILIES AND AT THE SAME TIME INCLUDES STRONG PROVISIONS THAT REQUIRE ABLE BODIED PEOPLE TO WORK AND ENSURE THAT ABSENT PARENTS PROVE THE FINANCIAL SUPPORT FOR THEIR CHILDREN. I BELIEVE THESE ACTIONS WILL IMPROVE THE FOOD STAMP PROGRAM; AND MORE IMPORTANTLY, WILL IMPROVE THE LIVES OF NEEDY FAMILIES THAT MUST NOW RELY ON PROGRAMS SUCH AS THE FOOD STAMP PROGRAM.

THANK YOU MR. CHAIRMAN.

CHARLES T. CANADY  
12TH DISTRICT, FLORIDA

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DEPARTMENT OPERATIONS AND NUTRITION  
FOREIGN AGRICULTURE AND HURGER

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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-0912**

**STATEMENT OF THE HONORABLE CHARLES T. CANADY**  
**of Florida**  
**before the**  
**HOUSE AGRICULTURE COMMITTEE**  
**April 28, 1993**

Thank you Mr. Chairman. Mr. Secretary, I want to join my fellow colleagues in thanking you for appearing before us today to discuss the Administration's proposal regarding the Mickey Leland Childhood Hunger Relief Act (H.R. 529).

Mr. Secretary, a particular area I would bring to your attention today is the automation of our state's welfare program distribution systems. As you may be aware, Florida has recently experienced severe and costly problems with its attempt to automate the distribution of Food Stamps, AFDC and Medicaid. The state spent \$108 million to develop a computer that is supposed to improve the services provided to Florida's needy and elderly. Of that \$108 million, over 75% of the planning, design and installation money for the system was provided by the federal government.

Unfortunately, during its first year of operation, the computer lost roughly \$260 million dollars because of errors and mismanagement in program distribution.

A General Accounting Office report released in May of 1992 stated that ineffective oversight of the development and installation of automated systems such as the one in Florida "has allowed millions of dollars to be spent on systems that either do not work or do not meet requirements." "Further, HHS and USDA each spend time and money independently reviewing state systems rather than coordinating their reviews, even though most states are developing or operating systems that include all three federal programs."

According to GAO, examples of this waste and ineffective oversight are "three states spent almost \$30 million in federal funds before canceling projects because of development problems. In another case, a state has been unable to implement its \$51 million system because it did not incorporate important user requirements into its system design."

## Page Two

With more states moving toward the automation of systems covering Food Stamps and other welfare programs, I am deeply concerned that USDA and HHS are not providing the proper oversight to ensure new systems accomplish their stated goals and that any lessons learned by states previously working towards automation will be passed on to states currently attempting to improve their systems.

Mr. Secretary, on April 6th of this year, I sent you a letter encouraging the USDA and the HHS to coordinate their investigations of alleged mismanagement and abuse of funds by Florida's Health and Rehabilitative Services. I look forward to your response to this inquiry because I believe that this is basic, essential good government policy that will save the American taxpayer millions of dollars. Whenever two federal agencies provide funds to a single state agency for distribution, the two agencies must coordinate their operations and oversight to guarantee that there are no overlapping services or costs.

When two government departments, such as USDA and HHS, spend the money that is encompassed by these three programs -- in FY 1990, AFDC benefits were \$10.1 billion, Medicaid Benefits were \$68.7 billion and Food Stamp benefits were over \$14 billion -- proper coordination and oversight of these moneys must be guaranteed to ensure that federal dollars are not wasted.

I would encourage you to review the May 1992 GAO report and work for the implementation of its recommendations.

103D CONGRESS  
1ST SESSION

# H. R. 529

To amend the Food Stamp Act of 1977 to respond to the hunger emergency afflicting American families and children, to attack the causes of hunger among all Americans, to ensure an adequate diet for low-income people who are homeless or at risk of homelessness because of the shortage of affordable housing, to promote self-sufficiency among food stamp recipients, to assist families affected by adverse economic conditions, to simplify food assistance programs' administration, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 1993

Mr. PANETTA (for himself, Mr. EMERSON, Mr. DE LA GARZA, and Mr. HALL of Ohio) introduced the following bill; which was referred to the Committee on Agriculture

---

## A BILL

To amend the Food Stamp Act of 1977 to respond to the hunger emergency afflicting American families and children, to attack the causes of hunger among all Americans, to ensure an adequate diet for low-income people who are homeless or at risk of homelessness because of the shortage of affordable housing, to promote self-sufficiency among food stamp recipients, to assist families affected by adverse economic conditions, to simplify food assistance programs' administration, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
 5 “Mickey Leland Childhood Hunger Relief Act”.

6 (b) **TABLE OF CONTENTS.**—The table of contents is  
 7 as follows:

Sec. 1. Short title and table of contents.

Sec. 2. References to Act.

**TITLE I—ENSURING ADEQUATE FOOD ASSISTANCE**

Sec. 101. Families with high shelter expenses.

Sec. 102. Basic benefit level.

Sec. 103. Continuing benefits to eligible households.

Sec. 104. Homeless families in transitional housing.

Sec. 105. Improving the nutritional status of children in Puerto Rico.

Sec. 106. Households benefiting from general assistance vendor payments.

Sec. 107. Helping low-income high school students.

**TITLE II—PROMOTING SELF-SUFFICIENCY**

Sec. 201. Child support disregard.

Sec. 202. Child support payments to non-household members.

Sec. 203. Vehicles needed to seek and continue employment and for household transportation.

Sec. 204. Vehicles necessary to carry fuel or water.

Sec. 205. Improving access to employment and training activities.

**TITLE III—SIMPLIFYING THE PROVISION OF FOOD ASSISTANCE**

Sec. 301. Simplifying the household definition for households with children and others.

Sec. 302. Resources of households with disabled members.

Sec. 303. Assuring adequate funding for the food stamp program.

**TITLE IV—COMMODITY DISTRIBUTION TO NEEDY FAMILIES**

Sec. 401. Commodity purchases.

**TITLE V—IMPLEMENTATION AND EFFECTIVE DATES**

Sec. 501. Effective dates.

Sec. 502. Budget neutrality requirement.

1 **SEC. 2. REFERENCES TO ACTS.**

2 Except as otherwise specifically provided herein, ref-  
3 erences to “the Act” and sections thereof shall be deemed  
4 to be references to the Food Stamp Act of 1977 (7 U.S.C.  
5 2011 et seq.) and the sections thereof.

6 **TITLE I—ENSURING ADEQUATE FOOD**  
7 **ASSISTANCE**

8 **SEC. 101. FAMILIES WITH HIGH SHELTER EXPENSES.**

9 (a) **REMOVAL OF CAP.**—(1) The fourth sentence of  
10 section 5(e) of the Food Stamp Act of 1977 (hereinafter  
11 referred to as “the Act”) (7 U.S.C. 2014(e)) is amended  
12 by striking “: *Provided*, That the amount” and all that  
13 follows through “June 30”.

14 (2) The fifth sentence of section 5(e) of the Act (7  
15 U.S.C. 2014(e)) is amended by striking “under clause (2)  
16 of the preceding sentence”.

17 (b) **TRANSITIONAL CAP.**—(1) Effective on the date  
18 of enactment of this Act, section 5(e) of the Act is amend-  
19 ed by inserting after the fourth sentence the following: “In  
20 the 12-month period ending September 30, 1994, such ex-  
21 cess shelter expense deduction shall not exceed \$230 a  
22 month in the forty-eight contiguous States and the Dis-  
23 trict of Columbia, and shall not exceed, in Alaska, Hawaii,  
24 Guam, and the Virgin Islands of the United States, \$400,  
25 \$328, \$279, and \$170 a month, respectively; in the 12-  
26 month period ending September 30, 1995, shall not exceed



1 \$260 a month in the forty-eight contiguous States and the  
2 District of Columbia, and shall not exceed, in Alaska, Ha-  
3 waii, Guam, and the Virgin Islands of the United States,  
4 \$452, \$371, \$315, and \$192 a month, respectively; in the  
5 12-month period ending September 30, 1996, shall not ex-  
6 ceed \$300 a month in the forty-eight contiguous States  
7 and the District of Columbia, and shall not exceed, in  
8 Alaska, Hawaii, Guam, and the Virgin Islands of the Unit-  
9 ed States, \$521, \$420, \$364, and \$221 a month, respec-  
10 tively; and in the 12-month period ending September 30,  
11 1997, shall not exceed \$360 a month in the forty-eight  
12 contiguous States and the District of Columbia, and shall  
13 not exceed, in Alaska, Hawaii, Guam, and the Virgin Is-  
14 lands of the United States, \$626, \$514, \$437, and \$266  
15 a month, respectively.”.

16 (2) Effective October 1, 1997, section 5(e) of the Act  
17 (7 U.S.C. 2014(e)) is amended by striking the fifth  
18 sentence.

19 **SEC. 102. BASIC BENEFIT LEVEL.**

20 Section 3(o) of the Act (7 U.S.C. 2012(o)) is amend-  
21 ed by striking “(4) through” and all that follows through  
22 the end of the subsection, and inserting the following: “(4)  
23 on October 1, 1993, adjust the cost of such diet to reflect  
24 103⅓ percent of the cost of thrifty food plan in the pre-  
25 ceding June (without regard to adjustments made under

1 clauses (9), (10), and (11) of this subsection as in effect  
2 before the date of the enactment of the Mickey Leland  
3 Childhood Hunger Relief Act), as determined by the Sec-  
4 retary, and round the result to the nearest lower dollar  
5 increment for each household size, (5) on October 1, 1994,  
6 adjust the cost of such diet to reflect  $103\frac{2}{3}$  percent of  
7 the cost of the thrifty food plan in the preceding June  
8 (without regard to adjustments made under such clauses  
9 (9), (10), and (11) and under clause (4)), as determined  
10 by the Secretary, and round the result to the nearest lower  
11 dollar increment for each household size, (6) on October  
12 1, 1995, adjust the cost of such diet to reflect 104 percent  
13 of the cost of the thrifty food plan in the preceding June  
14 (without regard to adjustments made under such clauses  
15 (9), (10), and (11) and under clauses (4) and (5)), as de-  
16 termined by the Secretary, and round the result to the  
17 lowest dollar increment for each household size, (7) on Oc-  
18 tober 1, 1996, adjust the cost of such diet to reflect  $104\frac{1}{3}$   
19 percent of the cost of the thrifty food plan in the preceding  
20 June (without regard to adjustments made under such  
21 clauses (9), (10), and (11) and under clauses (4), (5), and  
22 (6)), as determined by the Secretary, and round the result  
23 to the nearest lower dollar increment for each household  
24 size, (8) on October 1, 1997, adjust the cost of such diet  
25 to reflect  $104\frac{2}{3}$  percent of the cost of the thrifty food plan

1 in the preceding June (without regard to adjustments  
2 made under such clauses (9), (10), and (11) and under  
3 clauses (4), (5), (6), and (7)), as determined by the Sec-  
4 retary, and round the result to the nearest lower dollar  
5 increment for each household size, and (9) on October 1,  
6 1998, and on every October 1 thereafter, adjust the cost  
7 of such diet to reflect 105 percent of the cost of the thrifty  
8 food plan in the preceding June (without regard to pre-  
9 vious adjustments made under such clauses (9), (10), and  
10 (11), under clauses (4), (5), (6), (7), and (8), and under  
11 this clause), as determined by the Secretary, and round  
12 the result to the nearest lower dollar increment for each  
13 household size.”.

14 **SEC. 103. CONTINUING BENEFITS TO ELIGIBLE HOUSE-**  
15 **HOLDS.**

16 Section 8(c)(2)(B) of the Act (7 U.S.C.  
17 2017(c)(2)(B)) is amended by inserting “of more than one  
18 month in” after “following any period”.

19 **SEC. 104. HOMELESS FAMILIES IN TRANSITIONAL HOUS-**  
20 **ING.**

21 Section 5(k)(2)(F) of the Act (7 U.S.C.  
22 2014(k)(2)(F)) is amended to read as follows:

23 “(F) housing assistance payments made to a  
24 third party on behalf of a household residing in  
25 transitional housing for the homeless;”.

1 **SEC. 105. IMPROVING THE NUTRITIONAL STATUS OF CHIL-**  
2 **DREN IN PUERTO RICO.**

3 Section 19(a)(1)(A) of the Act (7 U.S.C.  
4 2028(a)(1)(A)) is amended:

5 (1) by striking "\$1,091,000,000" and inserting  
6 "\$1,111,000,000"; and

7 (2) by striking "\$1,133,000,000" and inserting  
8 "\$1,158,000,000".

9 **SEC. 106. HOUSEHOLDS BENEFITING FROM GENERAL AS-**  
10 **SISTANCE VENDOR PAYMENTS.**

11 Section 5(k)(1)(B) of the Act (7 U.S.C.  
12 2014(k)(1)(B)) is amended to read as follows:

13 "(B) a benefit payable to the household for  
14 housing expenses, not including energy or utility-cost  
15 assistance, under—

16 "(i) a State or local general assistance pro-  
17 gram; or

18 "(ii) another basic assistance program  
19 comparable to general assistance (as determined  
20 by the Secretary)."

21 **SEC. 107. HELPING LOW-INCOME HIGH SCHOOL STU-**  
22 **DENTS.**

23 Section 5(d)(7) is amended by striking ", who is a  
24 student, and who has not attained his eighteenth birth-  
25 day" and inserting "and who is an elementary or second-  
26 ary student".

**1 TITLE II—PROMOTING SELF-SUFFICIENCY****2 SEC. 201. CHILD SUPPORT DISREGARD.**

3 Section 5 of the Act (7 U.S.C. 2014) is amended—

4 (1) in clause (13) of subsection (d)—

5 (A) by striking “at the option” and all  
6 that follows through “subsection (m),” and in-  
7 serting “(A)”; and

8 (B) by adding at the end the following:  
9 “and (B) the first \$50 of any child support  
10 payments for each month received in that  
11 month, and the first \$50 of child support of  
12 each month received in that month if such pay-  
13 ments were made by the absent parent in the  
14 month when due,”; and

15 (2) by striking subsection (m).

**16 SEC. 202. CHILD SUPPORT PAYMENTS TO NON-HOUSEHOLD  
17 MEMBERS.**

18 Section 5(d)(6) of the Act (7 U.S.C. 2014(d)(6)) is  
19 amended by striking the comma at the end and inserting  
20 the following: “: *Provided*, That child support payments  
21 made by a household member to or for a person who is  
22 not a member of the household shall be excluded from the  
23 income of the household of the person making such pay-  
24 ments if such household member was legally obligated to  
25 make such payments,”.

1   **SEC. 203. VEHICLES NEEDED TO SEEK AND CONTINUE EM-**  
 2   **PLOYMENT AND FOR HOUSEHOLD TRANS-**  
 3   **PORTATION.**

4         Section 5(g)(2) of the Act (7 U.S.C. 2014(g)(2)) is  
 5 amended by striking "\$4,500" and inserting the following:  
 6 "a level set by the Secretary, which shall be \$4,500  
 7 through September 30, 1993, and which shall be adjusted  
 8 from \$4,500 on October 1, 1993, and on each October  
 9 1 thereafter, to reflect changes in the Consumer Price  
 10 Index for All Urban Consumers published by the Bureau  
 11 of Labor Statistics, for new cars, for the 12-month period  
 12 ending the preceding June 30, and rounded to the nearest  
 13 \$50".

14   **SEC. 204. VEHICLES NECESSARY TO CARRY FUEL OR**  
 15   **WATER.**

16         Section 5(g)(2) of the Act (7 U.S.C. 2014(g)(2)) is  
 17 amended by adding at the end the following: "The Sec-  
 18 retary shall exclude from financial resources the value of  
 19 a vehicle that a household depends upon to carry fuel for  
 20 heating or water for home use when such transported fuel  
 21 or water is the primary source of fuel or water for the  
 22 household.".

1 **SEC. 205. IMPROVING ACCESS TO EMPLOYMENT AND**  
2 **TRAINING ACTIVITIES.**

3 (a) **DEPENDENT CARE DEDUCTION.**—Section 5(e) of  
4 the Act (7 U.S.C. 2014(e)) is amended in clause (1) of  
5 the fourth sentence—

6 (1) by striking “\$160 a month for each depend-  
7 ent” and inserting “\$200 a month for a dependent  
8 child under age 2 and \$175 a month for any other  
9 dependent”; and

10 (2) by striking “, regardless of the dependent’s  
11 age,”.

12 (b) **REIMBURSEMENTS TO PARTICIPANTS.**—(1) Sec-  
13 tion 6(d)(4)(I)(i)(I) of the Act (7 U.S.C.  
14 2015(d)(4)(I)(i)(I)) is amended by striking “\$25” and in-  
15 serting “\$75”.

16 (2) Subclause (II) of section 6(d)(4)(I)(i) of the Act  
17 (7 U.S.C. 2015(d)(4)(I)(i)(II)) is amended by striking  
18 “reimbursements exceed \$160” and all that follows  
19 through the end of such subclause, and inserting “reim-  
20 bursements exceed the applicable local market rate as de-  
21 termined by procedures consistent with any such deter-  
22 mination under the Social Security Act. Individuals sub-  
23 ject to the program under this paragraph may not be re-  
24 quired to participate if dependent care costs exceed the  
25 limit established by the State agency under this paragraph

1 (which limit shall not be less than the limit for the depend-  
2 ent care deduction under section 5(e)).”.

3 (c) REIMBURSEMENTS TO STATE AGENCIES.—Sec-  
4 tion 16(h)(3) of the Act (7 U.S.C. 2025(h)(3)) is  
5 amended—

6 (1) by striking “\$25” and all that follows  
7 through “dependent care costs)” and inserting “the  
8 payment made under section 6(d)(4)(I)(i)(I) but not  
9 more than \$75 per participant per month”; and

10 (2) by striking “representing \$160 per month  
11 per dependent” and inserting “equal to the payment  
12 made under section 6(d)(4)(I)(i)(II) but not more  
13 than the applicable local market rate”.

### 14 **TITLE III—SIMPLIFYING THE PROVISION** 15 **OF FOOD ASSISTANCE**

#### 16 **SEC. 301. SIMPLIFYING THE HOUSEHOLD DEFINITION FOR** 17 **HOUSEHOLDS WITH CHILDREN AND OTHERS.**

18 The first sentence of section 3(i) of the Act (7 U.S.C.  
19 2012(i)) is amended—

20 (1) by striking “(2)” and inserting “or (2)”;

21 (2) by striking “, or (3) a parent of minor chil-  
22 dren and that parent’s children” and all that follows  
23 through “parents and children, or siblings,” and in-  
24 serting “. Parents and their minor children who live  
25 together and spouses”; and



1 (3) by striking “, unless one of” and all that  
2 follows through “disabled member”.

3 **SEC. 302. RESOURCES OF HOUSEHOLDS WITH DISABLED**  
4 **MEMBERS.**

5 Section 5(g)(1) of the Act (7 U.S.C. 2014(g)(1)) is  
6 amended by striking “a member who is 60 years of age  
7 or older,” and inserting “an elderly or disabled member.”.

8 **SEC. 303. ASSURING ADEQUATE FUNDING FOR THE FOOD**  
9 **STAMP PROGRAM.**

10 Section 18 of the Act (7 U.S.C. 2027) is amended  
11 by striking subsections (b), (c), and (d) and redesignating  
12 subsections (e) and (f) as subsections (b) and (c), respec-  
13 tively.

14 **TITLE IV—COMMODITY DISTRIBUTION TO**  
15 **NEEDY FAMILIES.**

16 **SEC. 401—COMMODITY PURCHASES.**

17 Section 214(e) of the Emergency Food Assistance  
18 Act of 1983 (7 U.S.C. 612c note) is amended—

19 (1) by striking “\$175,000,000” and all that fol-  
20 lows through “1992, and”;

21 (2) by inserting after the first sentence the fol-  
22 lowing:

23 “During fiscal year 1994, the Secretary shall spend  
24 \$220,000,000 to purchase, process, and distribute addi-  
25 tional commodities under this section.”; and

1           (3) in the last sentence by striking "1991  
2 through" and inserting "1993 and".

3           **TITLE V—IMPLEMENTATION AND**  
4           **EFFECTIVE DATES**

5   **SEC. 501. EFFECTIVE DATES.**

6           (a) **GENERAL EFFECTIVE DATE.**—Except as other-  
7 wise provided in this Act, the provisions of this Act shall  
8 become effective and be implemented on October 1, 1993.

9           (b) **SPECIAL EFFECTIVE DATE.**—Sections 103, 106,  
10 201, 202, 204, 205, 301, and 302 of this Act shall become  
11 effective and be implemented on July 1, 1994.

12 **SEC. 502. BUDGET NEUTRALITY REQUIREMENT.**

13           None of the provisions of this Act shall become effec-  
14 tive unless the costs are fully offset in each fiscal year  
15 through fiscal year 1998. No agriculture price or income  
16 support program administered through the Commodity  
17 Credit Corporation under the Agricultural Act of 1949  
18 may be reduced to achieve such offset.

○

## H.R. 529, as introduced

## Section-by-Section Analysis

H.R. 529, the Mickey Leland Childhood Hunger Relief Act, is virtually identical to H.R. 1202, a bill reported by the Committee on Agriculture in the 102nd Congress that was later incorporated into the Family Preservation Act and passed by the House. Most of the provisions of H.R. 1202 originated in the Mickey Leland Memorial Domestic Hunger Relief Act of 1990 as that bill was reported by the Committee on Agriculture and passed by the House as title XVII, Food Stamp and Related Provisions, of H.R. 3950, the Food and Agricultural Resources Act of 1990 (Public Law 101-624; the 1990 Farm Bill).

Section 1--Short title and table of contents

Section 1 provides that the bill may be cited as the "Mickey Leland Childhood Hunger Relief Act", and sets out the table of contents of the bill.

Section 2--References to Act

Section 2 provides that references in the bill to "the Act" are references to the Food Stamp Act of 1977.

## TITLE I--ENSURING ADEQUATE FOOD ASSISTANCE

Section 101--Families with high shelter expenses

Section 101 amends section 5(e) of the Act to provide that households without elderly or disabled members, for purposes of determining Food Stamp Program eligibility and benefit levels, may deduct from income high shelter costs in the same way that elderly and disabled households do at present. Under current law, households may deduct shelter expenses that exceed 50% of their incomes, but this deduction is capped, currently at \$200 a month in the 48 contiguous States, for households that do not contain elderly or disabled members.

Section 101(a) removes the cap for such households effective October 1, 1997 and makes a conforming change to section 5(e) of the Act. Section 101(b) establishes increased shelter deduction caps for the interim period.

Section 102--Basic benefit level

Section 102 amends the definition of "thrifty food plan" in section 3 of the Act to raise basic food stamp benefits. The thrifty food plan is the cost of the diet required to feed a family of four adjusted by household size. The cost of such diet is the basis of the food stamp allotments for households. These allotment levels are adjusted every October to reflect food costs under the

thrifty food plan for the year ending the previous June.

Food stamp benefits are currently set at 103% of the cost of the thrifty food plan. Under section 102, food stamp benefits will rise in increments on an annual basis until they reach 105% of the thrifty food plan by fiscal year 1999.

#### Section 103--Continuing benefits to eligible households

Section 103 amends the definition of "initial month" in section 8 of the Act to mean the first month for which an allotment is issued to a household following any period of more than one month in which the household was not participating in the Food Stamp Program, after previous participation in the program.

The effect of this provision is that eligible households reapplying during the first month following the end of their prior certification period will receive full benefits, rather than pro-rated benefits as required by current law, for that month. This rule currently applies to migrant and seasonal farmworkers.

#### Section 104--Homeless families in transitional housing

Section 104 amends section 5 of the Act to exclude from income, for purposes of determining Food Stamp Program eligibility and allotment levels, the full amount of vendor payments (payments made to third parties) for transitional housing for homeless households.

The Food Stamp Act generally excludes vendor payments from calculations of food stamp income. However, in those states that have shelter allowance components within their payments to families under the Aid To Families with Dependent Children (AFDC) program, current law excludes that portion of the vendor payments for transitional housing for the homeless only up to an amount equal to half of the AFDC maximum shelter allowance. The amount of a vendor payment that exceeds the AFDC maximum shelter allowance is also excluded. The majority of states have no separate AFDC shelter allowance, and therefore the entire vendor payment is excluded for the purposes of the Food Stamp Program under the general rule to exclude vendor payments. This section would treat vendor payments for transitional housing the same in all states by excluding the entire vendor payment from income for purposes of determining Food Stamp Program eligibility and allotment levels.

#### Section 105--Improving the nutritional status of children in Puerto Rico

Section 105 amends section 19 of the Act to increase funding for the Nutrition Assistance Program (NAP) in Puerto Rico. In 1981, the Food Stamp Act was amended to replace the Food Stamp Program in Puerto Rico with a block grant, the Nutrition Assistance Program. For 1994, the block grant funding for NAP funding is increased from \$1.091 billion to \$1.111 billion; and for 1995 it is increased from \$1.133 billion to \$1.158 billion.

Section 106--Households benefiting from general assistance vendor payments

Section 106 amends section 5 of the Act to include only general assistance (GA) vendor payments provided for housing expenses, but excluding energy or utility-cost assistance, as income for determining food stamp eligibility and benefit levels.

Under current law, GA vendor payments are excluded from consideration as income if they are made under state laws that prohibit making direct GA payments to households. In other states, they are counted as income if they are made for normal living expenses.

The 1990 Farm Bill established the current exclusion from income for those GA vendor payments made under state laws prohibiting direct GA payments to households.

Section 107--Helping low-income high school students

Section 107 amends section 5 of the Act to exclude the income of high school students for the purpose of calculating eligibility and benefit levels for the Food Stamp Program. Current law excludes the income of high school students only up to their eighteenth birthday.

TITLE II--PROMOTING SELF-SUFFICIENCY

Section 201--Child support disregard

Section 201 amends section 5 of the Act to exclude from consideration as household income in determining Food Stamp Program eligibility and allotment levels the first \$50 a month received for child support, including those payments made on time but received in a later month. Under current law, the State agency has the option to exclude the first \$50 in child support payments received by households participating in the AFDC program, but must reimburse to the Federal government, from state funds, the value of increased food stamp benefits.

Section 202--Child support payments to non-household members

Section 202 amends section 5 of the Act to exclude from consideration as income for purposes of determining Food Stamp Program eligibility and allotment levels any child support payments a household member makes to support a child outside of the household, if the payments are a legal obligation. Current law provides no such exclusion.

Section 203--Vehicles needed to seek and continue employment and for household transportation

Section 203 amends section 5 of the Act to require the annual indexing of the current asset threshold for the fair market value of vehicles owned by

households. Current law imposes the eligibility requirement, generally, that households not have assets above \$2,000 if they do not contain an elderly member, or \$3,000 if they do contain an elderly member. The amount of the fair market value of each household vehicle (other than those that are totally disregarded) that exceeds \$4,500 is calculated toward the asset limit. Section 203 requires that the \$4,500 threshold be adjusted, beginning on October 1, 1993, and on each October 1 thereafter, to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, for new cars, rounded to the nearest \$50.

#### Section 204—Vehicles necessary to carry fuel or water

Section 204 amends section 5 of the Act to exclude from financial resources, for purposes of determining Food Stamp Program eligibility, a vehicle that is used by a household to transport fuel for heating or water when that fuel or water is the primary source for the household. Current law provides no such exclusion.

#### Section 205—Improving access to employment and training activities

Section 205(a) amends section 5 of the Act to raise the current dependent care deduction, allowed in computing household income for purposes of determining program eligibility and benefit levels, from \$160 a month for each dependent to \$200 a month for children under age 2 and \$175 a month for other dependents. Current law permits a dependent care deduction when dependent care enables a household member to work or look for work, or engage in education or training in preparation for employment.

Section 205(b) amends section 6 of the Act to raise the limit on reimbursements to recipients participating in employment and training (E&T) programs for costs related to E&T activities. Current law limits dependent care reimbursements to \$160 per dependent per month and other reimbursements to \$25 per month per person and requires states to exempt from participation in E&T activities those households whose costs would exceed the reimbursement. Section 205 raises dependent care reimbursements to the applicable local market rate as determined using procedures consistent with those used for AFDC E&T programs. Section 205 exempts from participation in E&T activities individuals whose dependent care costs exceed the dependent care deduction. Section 205 also raises the limit for reimbursements for other work-related costs to \$75 a month.

Section 205(c) makes a conforming change to the Act in section 16 to raise the amounts of E&T dependent care and other work-related reimbursements made by State agencies to recipients for which State agencies will be reimbursed (at the normal fifty percent rate) by USDA, consistent with the increase in such reimbursements to recipients.

### TITLE III--SIMPLIFYING THE PROVISION OF FOOD ASSISTANCE

#### Section 301--Simplifying the household definition for households with children and others

Section 301 amends section 3 of the Act to delete a provision that requires siblings living together and parents living with adult children to be considered as one household even if they do not purchase and prepare meals together.

Section 301 amends the definition of "household" in section 3 of the Act to include (1) an individual who lives alone, (2) an individual who lives with others but customarily purchases food and prepares meals separate and apart from the others, and (3) a group of individuals who live together and customarily purchase food and prepare meals together. Parents and their minor children who live together and spouses who live together would continue to be treated as a group of individuals who customarily purchase and prepare meals together even if they do not do so.

#### Section 302--Resources of households with disabled members

Section 302 amends section 5 of the Act to increase the resource limit for determining Food Stamp Program eligibility from \$2,000 to \$3,000 for any household containing a disabled member.

Under current law, most households have a resource limit of \$2,000, while those containing at least one elderly member have a \$3,000 limit. This amendment extends to households containing a disabled member the \$3,000 limit available now for households with an elderly member.

#### Section 303--Assuring adequate funding for the Food Stamp Program

Section 303 amends section 18 of the Act to delete from the Act provisions that authorize the reduction of benefits to households and notification to States if the Secretary of Agriculture determines that Food Stamp Program funding is insufficient.

### TITLE IV--COMMODITY DISTRIBUTION TO NEEDY FAMILIES

#### Section 401--Commodity purchases

Section 401 amends section 214 of the Emergency Food Assistance Act of 1983 to require that the Secretary spend \$220,000,000 in fiscal year 1994 to purchase, process, and distribute additional commodities. These commodities are to be in addition to those commodities from Commodity Credit Corporation stocks distributed under the authority of the Emergency Food Assistance Act of 1983.

Current law, which would not be changed by this provision, authorizes to be appropriated \$220,000,000 for each of the fiscal years 1993 through 1995.

## TITLE V--IMPLEMENTATION AND EFFECTIVE DATES

### Section 501--Effective dates

Section 501 provides that sections 103, 106, 201, 202, 204, 205, 301, and 302 will become effective and be implemented on July 1, 1994. Other provisions of the bill will become effective and must be implemented on October 1, 1993.

### Section 502--Requirement for budget neutrality

Section 502 provides that none of the provisions of the bill shall become effective unless the costs of the bill are fully offset in each fiscal year through fiscal year 1998. The offset may not be achieved by reduction of any agriculture price or income support program.



Mr. STENHOLM. Mr. Emerson.

Mr. EMERSON. No statement. Thank you.

Mr. STENHOLM. Ms. McKinney.

Ms. MCKINNEY. No statement, Mr. Chairman.

Mr. STENHOLM. Mr. Bishop.

Mr. BISHOP. No opening statement, Mr. Chairman.

Mr. STENHOLM. I'd be happy, then, to call our first witness, a member of this committee, the Honorable Jill Long, a Member of Congress from Indiana.

Welcome, Jill.

**STATEMENT OF HON. JILL L. LONG, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF INDIANA**

Ms. LONG. Thank you, Mr. Chairman. I appreciate the opportunity to testify today on the Mickey Leland Childhood Hunger Relief Act. As you know, I was a member of the Select Committee on Hunger, and I have been very supportive of efforts to draw attention to the hunger needs of those in our Nation.

One of the most important programs for combating hunger in our country is the food stamp program. In an effort to improve the administration of this program, I have introduced the Food Stamps Quality Control System Amendments of 1993. This legislation currently has—I was incorrect in the last hearing—48 cosponsors, 9 of which are members of the Agriculture Committee. The Food Stamps Quality Control System is designed to measure a State's performance in determining eligibility for food stamp benefits. As many of my colleagues are aware, this system has sometimes been the subject of contentious debate.

Congress took some steps to reform the QC System in the Hunger Prevention Act of 1988, and then 2 years later, in the 1990 farm bill, Congress eliminated food stamp error rate sanctions for fiscal years 1983 through 1985. Earlier this year, 24 States and the District of Columbia came to an agreement on over \$300 million in error rate penalties due under this system for fiscal years 1986 through 1991.

No one and certainly I am not saying that there should not be a system of quality control or that States with high error rates should not be making great efforts to improve the accuracy of their programs; however, as is evidenced by the Congress' willingness to waive sanctions and the Food and Nutrition Services' agreement to settle for 15 cents on the dollar in reinvestment, the validity and integrity of the QC System has to be brought into question. In addition, a 1987 National Academy of Sciences study on the Food Stamps Quality Control System questioned the statistical validity of the system.

Improvements were made to the AFDC quality control program in 1989. H.R. 1195 reforms much of the food stamp quality control program to be similar to the AFDC quality control program. The objective of this legislation is to ensure that the Quality Control System sets reasonable targets and establishes a reliable and a fair system for measuring State performance. Such reforms should also improve the contentious relationship between the States and the Food and Nutrition Services that has been perpetuated under the current system.

While H.R. 1195 is technical, and, therefore, some may be reluctant to address this issue, the problems for the States under the current System are quite burdensome and are not going to go away. If the integrity of the food stamp quality control program is not improved this year, this issue will continue to be raised in the future. I think that at this time in particular, when legislation that increases funding for the food stamp program is being considered, it is appropriate to implement a review system that is fair, that is reasonable, and, probably most importantly, that is accurate.

I hope that H.R. 1195 can be included in the Mickey Leland Hunger Act. In this regard, I would like to submit as an attachment to my prepared statement a copy of a letter signed by 37 Members requesting that H.R. 1195 be included in the Mickey Leland Hunger Act, and I'm also pleased to note that Secretary Espy today indicated that he does not oppose this bill and is willing to work with us to ensure that any reforms are effective.

[The prepared statement of Ms. Long appears at the conclusion of the hearing.]

Mr. STENHOLM. Without objection.

Mr. EMERSON.

Mr. EMERSON. Thank you, Mr. Chairman.

Jill, I'm a little confused about this sanctions issue, because I guess it was in the Technical Corrections Act of the 1990 farm bill that we forgave sanctions from 1991 on back, and you're right, we settled for 15 cents on the dollar, providing they invested the 15 cents in systems that would prevent the problems from recurring prospectively. I don't understand how, having done that and given some incentive, we can say—and I'm afraid that's what we're saying—that there shouldn't be any quality control.

How are we to have quality control? We looked very closely. I remember when we did it. There was no prospect that the States were going to be able to come up with the money that they were being hit with as sanctions, so we tried to fix it then. What did we do wrong, and how can we not have a system of quality control?

Ms. LONG. Well, there must be quality control—

Mr. EMERSON. How would you structure it, though?

Ms. LONG. The assessment of whether or not a State is overissuing or underissuing, that assessment has to be more accurate. Currently, the States will take a sample of data, and then FNS takes a subsample of that sample and runs a regression, and the subsample is too small in many cases to get statistical precision, so States are penalized based on a subsample of a sample of data.

In addition to that, the target figure has been set at 1 percent of the lowest error rate ever. I believe that the target rate that is used for comparison should be calculated annually. In particular, when we have a recessionary period of time, the caseload becomes greater for the States, and that leads to higher rates. It seems to me that a State should not be penalized because they have more people in need and higher caseloads and fewer people relatively to handle those caseloads.

So I think that we have to have quality control, but it has to be a fair quality control system, and it also has to be an accurate quality control system.

Mr. EMERSON. I think it would be well if members of the administration and you and the chairman and the ranking minority member, with staff, sat down and walked through this. It's a very technical, complex subject, and we tried hard to understand it when we made those corrections. The standards have to be pretty tight, or they just don't work.

Ms. LONG. But they also have to be accurate.

Mr. EMERSON. They have to be fair.

Ms. LONG. I agree with you.

Mr. EMERSON. Thank you.

Ms. LONG. Thank you.

Mr. EMERSON. If I may have 1 more minute, this gets into this subject. You know, automation here, this is another one. As we look at the whole subject of welfare reform which is coming upon us, I have been appalled in a lot of work that I've done on the subject of welfare reform at how little automation there is in our welfare system. I mean, in this country we can put people on the Moon and people in space, and we're not utilizing technology to help us deal with everyday problems.

It's appalling in the food stamp program how little automation there is, and I just think that with a higher level of automation we could avoid a lot more errors. In most places—this is a fact. In most places, food stamp benefits are calculated manually. I mean, people sit around figuring them out with a pad and a pencil instead of utilizing computers, and the recordkeeping process is a manual process in most places.

I know it's expensive to get all that technology in the first place, but I think once an investment was made there would be enormous savings over the long haul. I think this is the kind of problem that, with a better utilization of technology, we could perhaps almost hit it right on the nose, but we don't.

Thank you.

Mr. STENHOLM. Mr. Bishop.

Mr. BISHOP. I can appreciate the concerns that were raised by my colleague, Mr. Emerson, but I understand very well the problems that are created with the existing quality control system. My State has suffered tremendously and is in peril of having its resources go for penalties rather than for, in actuality, the service that it's designed to render simply because of the way that the error rate is calculated. I think it should be accurate, and I think that this measure that Ms. Long is proposing is designed to increase accuracy, and I'd like to support it.

But I do think that it is highly technical, and I would also support the proposition that Ms. Long and the subcommittee, the chairman, the leadership, and the administration sit down together with their staffs and see if we can't work out the technical aspects of this in a way that everybody can live with it, and the States will not have to be unduly penalized, but we will, at the same time, have accurate and effective quality control of the food stamp program.

Mr. STENHOLM. Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman.

Jill, it's certainly no news to any of us that welfare and food stamps are probably the most maligned two Government benefits

in this country. Everybody has a story, or you've all heard them, about somebody that's using food stamps to buy something they shouldn't be buying for food or able-bodied people on welfare that they shouldn't be there.

That leads me again to the question on your bill, and it's simply that food stamps are paid by the Federal Government 100 percent, and it's a passthrough to the States, so they have really no obligation to manage the program unless there is some kind of control that either penalizes them for abusing the distribution of food stamps or brings them in as a partner. I think about the banks and the school loan program. Banks are guaranteed 100 percent in those loans, and we have banks who will loan money to anybody because it's no skin off their nose, and we're shocked when people aren't repaying those loans.

So I worry, on the one hand, that—I hear your discussion about unfairness to some States, but I really worry and fret about how we're going to hold States responsible for implementing the program without abusing it if we merely wipe out any kind of violation fine or any kind of responsibility for the program. So I guess that's what we're all talking about.

Ms. LONG. I believe there should be penalties, and in my bill there are penalties. In fact, the greater the error rate of overissuance, the greater the penalty is going to be exponentially, not just by a simple percentage, and I think that's very important. But I also think that States that are being penalized today based on data collection that is questionable and also a regression analysis that in many cases has given a low statistical precision number, I think that is not good policy. It's not just that it's unfair, it's not good policy.

I would not introduce legislation that didn't include penalties and penalties that I think are important to provide that necessary incentive for States to work very hard to comply with the provisions, but I also think that it is wrong for States to have to pay a penalty today for something they did yesterday—not for something they did yesterday, but for a mismeasurement of something that they did yesterday. It would be comparable to having to pay a speeding ticket when the method for assessing your rate of speed was inaccurate. That's why I think it's important to waive those penalties for fiscal year 1992 and then move forward with a measurement system that is accurate and where it would be reasonable for us to expect the States to be in compliance.

If I could add one more thing, I think there has been considerable misinformation about what is actually included in this piece of legislation, and there has been more focus on the waiving of the penalties for fiscal year 1992 than on the other provisions. In my own judgment, the other provisions of the bill are the more significant aspects of the legislation.

Mr. STENHOLM. Mrs. Clayton.

Mrs. CLAYTON. I apologize, I did not hear the full extent of your remarks, but I think I understand a little bit of it. I just wanted to know if you felt the bill could be amended with—did I understand that the other provisions other than the waiving of the penalties are far more significant and you perhaps are considering modifying that—

Ms. LONG. I'm always willing to work with the Congress as well as the administration where there are concerns. I'm always willing to do that.

Mrs. CLAYTON. I was wondering also if there is a provision in the bill that addresses the underissuance as well as—

Ms. LONG. Yes.

Mrs. CLAYTON. Just for the sake of equity if that's a possibility.

Ms. LONG. Well, as you know now, if you underissue in a State, the penalty is the same as if you overissue even though there's no additional cost—in fact, there's less cost to the Federal Government. I think the targets should be established annually based on the average error rate across the country for a particular year and based on the overissuances, without including the underissuances. This bill would do that, but there's also an incentive to keep the underissuances low. Also, research has shown that when you reduce overissuances, there's a correlation and underissuances are reduced as well, and it comes about as a result of being better able to keep track of your caseload.

Mrs. CLAYTON. Well, my point was just made in the sense of equity. I think we all heard a very passionate plea from our colleague, Congressman Hall, today, and that certainly wasn't a small incident of fraud. It was just out of being sensitive and willing to be responsive. I'm not suggesting that it's intentional that we do underissue. Nonetheless, underissuance may not affect us financially in the Federal Government, but it does affect the livelihood of thousands of people, which also ought to be of equal concern. It was in the spirit of that equity that I was pushing for some acknowledgment that to deny people the right to eat is almost as offensive to our humanity as it is to fraudulently get something you shouldn't have gotten. Both are offensive and unacceptable.

Ms. LONG. There is a provision in the bill for that.

Mrs. CLAYTON. Is it equally proportionate?

Ms. LONG. It's handled differently. It's a financial incentive, and—

Mrs. CLAYTON. One is an incentive, and the other one is a penalty. OK. Thank you.

Mr. STENHOLM. Ms. Lambert.

Ms. LAMBERT. Thank you, Mr. Chairman.

I most certainly applaud my colleague, Ms. Long, for her hard work on all that she's done. It's an issue that's very interesting to me. The district that I represent is probably one of the bigger users of the food stamp program. It's a large rural area with quite a lot of poverty. It's critical, I think, that if we want to see the long-term evidence of what a food assistance program can do for our Nation and for areas such as mine, then we've got to take a long, hard look at making it long term. I think that there's a good beginning here, and I certainly look forward to the opportunity to work with you.

I'd also like to echo the concerns of my colleague, Mr. Emerson, as far as automation is concerned. I've been in and out, and I apologize for that, but I don't know that the Secretary addressed the EBT System, if he did or not, as to whether or not we're still working on that, how quickly or how far along it's come, and what the prospects are, but it might be something that would work in well with what you're talking about as far as the bill.

So I applaud your efforts and certainly look forward to working with you.

Ms. LONG. Thank you.

Mr. STENHOLM. We thank you, Ms. Long, very much. I assure you this committee will look very closely at H.R. 1195 as we deliberate on the Mickey Leland bill and other issues before this subcommittee. We thank you for your interest and your input.

Ms. LONG. Thank you, Mr. Chairman.

Mr. STENHOLM. Mr. Braley and Ms. O'Neil from USDA are still with us from the full committee hearing earlier. Does any member have any questions for them?

Ms. Lambert.

Ms. LAMBERT. Thank you, Mr. Chairman.

At the sake of being redundant—and I don't know because we were called out for a vote—I don't know if the question was asked about the EBT system, how far along it has gotten, what the prognosis of the progress of the program or the system is, and what your feelings are about how effective that system could be.

**REMARKS OF BONNY O'NEIL, ACTING DEPUTY ADMINISTRATOR, FOOD STAMP PROGRAM, AND GEORGE BRALEY, ACTING ASSISTANT SECRETARY, FOOD AND CONSUMER SERVICES, U.S. DEPARTMENT OF AGRICULTURE**

Ms. O'NEIL. We have four on-line systems currently operating, and we have 33 additional States that have approached us and said that they're interested. There are several in between that have actually gone through the process of putting out contracts and are working on planning documents. So there's a great deal of interest. We continue to encourage that interest, and the Secretary has indicated his support, although there were no specific questions asked about EBT.

Ms. LAMBERT. There were none?

Ms. O'NEIL. No.

Ms. LAMBERT. You said there are how many States that are currently—

Ms. O'NEIL. There are 33 that have told us that they are seriously interested in pursuing EBT, and they're in various stages in that pursuit.

Ms. LAMBERT. So there's no one currently as a testing ground or—

Ms. O'NEIL. There are four on-line systems in operation now. The State of Maryland, effective this May, will be statewide. That will be our first statewide project. We still have the Reading, Pennsylvania, project that we started back in 1984. It's continuing to operate, has expanded some. We have a project in Albuquerque, New Mexico, and another in Ramsey County, Minnesota.

Ms. LAMBERT. Does that limit those that can be involved, the vendors?

Ms. O'NEIL. No, it doesn't. Each State decides whether they want to operate the system themselves and design it or go out to a vendor to run the system. Our experience has been that they usually choose a private vendor and go through a competitive process.

Ms. LAMBERT. No, I mean the vendor that the individual using the food stamps would choose to use. Does it limit—

Ms. O'NEIL. No. As a matter of fact, the statute mandates that there be full coverage, so that every store, whether a mom-and-pop or a supermarket, would be equipped with whatever equipment is necessary to use the card.

Ms. LAMBERT. So it doesn't necessarily use bar codes. It's simply a scanner of some sort.

Ms. O'NEIL. That's correct. It's a card similar to your VISA card that has that little magnetic stripe, and they use the same type of machine that they would use when they magnetic stripe your VISA card.

Mr. BRALEY. I might add that there's one other technology that's being tested in a site in Dayton, Ohio. It's an off-line technology using a computer chip actually in a card, a so-called smart card technology that's being tested there that we're evaluating at this point as well.

Ms. O'NEIL. I should mention that the equipment is not paid for by the individual vendor unless they choose to pay for it. We cannot put that by law as an additional burden upon them.

Ms. LAMBERT. Thank you.

Mr. STENHOLM. Mr. Emerson.

Mr. EMERSON. Mr. Chairman, I just very briefly want to reemphasize my interest in TEFAP and suggest that I don't think there's any reason that the administration and the Congress should be out of sync on the issue. There are provisions for it in the legislation that we have introduced, and I would ask you to take a look at your own budget considerations, because I fully expect that there will be good TEFAP provisions in the bill to be reported by this subcommittee and the full committee. As you know, TEFAP has long had strong support in this committee, and there just really isn't any reason that we shouldn't be in accord on it, I don't think.

Mr. BRALEY. Thank you, Mr. Emerson. We'll talk further on that, and I mentioned to you earlier there is some additional funding for TEFAP in the President's budget request, an appropriation request. But you're correct, it is not dealt with in this bill, and we'll have some further discussions on that, I'm sure.

Mr. EMERSON. Thank you.

Mr. STENHOLM. Mrs. Clayton.

Mrs. CLAYTON. I wanted to just state for the record also that I come from a district that's primarily rural and has an inordinate amount of people who use that, and part of my inquiry of the Secretary at the full committee hearing earlier as to what this expansion meant and a larger part of the implication was that the increase in food stamp people all need, and, therefore, it's a relationship to the economy. I'm also interested in that self-sufficiency part of it probably as much as I am about the fraud. But I think the integrity of the program has to be in place in order for us not to use it as a whipping boy. So could you help me understand, are you removing the underissuing also under your penalty? Did I hear you earlier suggest that?

Ms. O'NEIL. No. Actually, our bill has nothing specific to the QC program. It would leave the current system intact, and that's essentially the system that was designed in 1988 as a series of compromises.

Mrs. CLAYTON. My other question is about the training. Is there increased requirement or increased opportunity for the participants in terms of job training? Are there new moneys and new requirements? Help me understand. Section 205?

Ms. O'NEIL. There are a couple of provisions where we currently allow reimbursements, that the State can reimburse someone for expenses that they incur as a part of training, and what we would be doing is raising those amounts. In fact, they would be consistent with the AFDC jobs program, so people would have additional reimbursement to pursue those activities for things such as child care, uniforms, other requirements of the training.

Mrs. CLAYTON. Because I don't fully understand the bill, is that integrated here, or are you offsetting some other resources that come in for child care?

Ms. O'NEIL. No, there are actually two opportunities. There's a deduction for child care where you get 20 percent of your—you get a certain amount of your child care deducted. But you may also be reimbursed for expenses that you incur by the State, for instance, and we would allow them to pay a certain amount, \$200 for someone with a child of 2, and we would pay 50 percent of that cost the State chose to give them.

Mrs. CLAYTON. Thank you, Mr. Chairman.

Mr. STENHOLM. Mr. Volkmer.

Mr. VOLKMER. I'd just like to ask a question as far as the budgetary amounts. If we make the changes as proposed in the legislation, we have an estimate, as I understand it, that you all have made as to the additional cost. Correct?

Ms. O'NEIL. Correct.

Mr. VOLKMER. Now, of course, we all know that this is an entitlement program, and the amounts of money will be appropriated. I've never seen a time, and I've been here times when we've had to do supplementals in order to make sure that everybody—we're not going to wait until August or September and then have people starve to death. So my question to you is, what type of facts as far as employment, unemployment, interest rates, and everything else did you make in order to arrive at the conclusion as to the expenditures that you're saying that these additional changes will cost?

Mr. BRALEY. The methods we normally would use in the kinds of changes that are being proposed to the food stamp legislation here are something called the microsimulation model that looks at the characteristics of households that participate in the program, and if you make a change, for example, uncapping the shelter deductions, you can tell from that information from surveys how many people would be affected by it and how much additional benefits they would receive. That's a technique that we use, and the Congressional Budget Office uses a very similar technique.

We project the ongoing cost and participation in the food stamp program using economic measures like the ones you mentioned—unemployment and things like that. As they're projected, that affects the number of people we would expect to be participating in the food stamp program.

Mr. VOLKMER. Well, we have more participation now than we've ever had.

Mr. BRALEY. Yes, sir; we do.



Mr. VOLKMER. Undoubtedly, that is caused a lot by the fact that we have a lot of people out of work.

Mr. BRALEY. Absolutely.

Mr. VOLKMER. And we have a lot of people that are marginally employed or part-time employment, et cetera, and still qualify.

Mr. BRALEY. Yes, sir.

Mr. VOLKMER. If we anticipate that the economy does not improve, are you going to say we would probably have the same what I call basic increases in food stamps in 1994 that we've had in 1993, or are we at a leveling-off place? Where are we?

Mr. BRALEY. The numbers of participants, I believe, are forecast to begin leveling off in the near future. I don't see the folks from our Office of Analysis and Evaluation here, but the participation begins to level off in 1994, as I recall. Again, that assumes that the economy is in a recovery mode and that unemployment would continue to improve.

Mr. VOLKMER. Now, that's with those assumptions. That's what I'm getting at. Basically, we in the Congress are in a quandary. We want to do the right thing so that people have adequate nutrition, but on the other hand, like I said, I've seen the time when we thought when we do this and we do the appropriation process this year, we find out by next year that we missed the guess. But our problem now is under our budget. If we budget so much for the total food stamps and then we're going to have to exceed that budget, we have to take it away from someplace else.

Mr. BRALEY. Yes. One way that that's been dealt with in the past couple of years is a reserve appropriation set aside. There's a \$2.5 billion reserve in the food stamp program in case the estimates prove incorrect and in case more people want or need to participate in the program than we had forecast. So we have not had to come back and seek supplemental appropriations in the past several years even on occasions where we've missed our estimate.

Mr. VOLKMER. Let me ask you this before my time is out. Assuming the amendments that are being proposed are passed by the Congress for the 1994 fiscal year, what are your total estimates for the total food stamp program for 1994, or what's in the budget?

Mr. BRALEY. The benefit costs that are forecast in the budget under current law are \$22.8 billion, and this would add about an additional \$600 million to that total, so it would bring the benefit cost up to roughly \$23.4 billion. So it's an increase of about \$600 million in benefits. There are additional costs associated with State administration that I have not added in those figures. I'd be happy to supply that for the record.

[The information follows:]

Costs for State administrative expenses, employment and training activities, and other program costs for fiscal year 1994 under current law are about \$1.74 billion.

Mr. VOLKMER. If I remember right, with those costs we were going to be running pretty close to between \$27 billion and \$28 billion. Is that correct? Would you say so?

Mr. BRALEY. I think \$27 billion is right in the ballpark, yes, sir.

Mr. VOLKMER. Thank you very much, Mr. Chairman.

Mr. STENHOLM. Mr. Dooley.

Mr. DOOLEY. I just have a question, if any of you would have the information, and it really concerns not the food stamp proposed leg-

isolation, but the WIC program. I'm from the State of California, and I think you're well aware of some of the problems we face there with only 46 percent of our eligible population being able to access WIC program funding. We had a provision in the stimulus package which was going to rectify the prohibition from us receiving additional funds if we exceeded the 15-percent increase.

I guess my question is, are there any other alternatives administratively that can provide us with some redress, or what actions do we need to take in order to free up or give greater flexibility so we can address this problem?

Mr. BRALEY. Before that language was added to the stimulus bill, Mr. Dooley, we looked at our possible administrative remedies, and because it appears unlikely that we'll have a vehicle legislatively to change that, we're looking again to see if we have any flexibility. I'm not sure that we will, and I don't know if there will be another legislative vehicle available to address that problem. So it is a situation that we need to try to manage and find a way out of fairly quickly.

Again, I don't want to hold out a lot of hope for a major administrative remedy. I think we still would need a legislative change there in order to bypass the regulations that are currently in place.

Mr. DOOLEY. Thank you.

Mr. STENHOLM. We thank you both for your attendance.

Mr. SMITH. Mr. Chairman, I just have one question.

Mr. STENHOLM. Mr. Smith.

Mr. SMITH. Thank you very much.

I want to make clear that the increase in this bill is estimated to be almost \$7 billion over 5 years, and that's an increase in program. It does not reflect an increase—well, the increase in people has already been taken into consideration. So this is an increase over and above the existing program for all people who file. Is that correct?

Mr. BRALEY. That's correct, sir.

Mr. SMITH. And that constitutes \$7 billion, and it's short next year \$563 million, and then I think it goes to \$1.5 billion or something like that extended on out. Is that correct?

Mr. BRALEY. That's correct.

Mr. SMITH. All right. Thank you. I wanted to make sure I had that correct.

Mr. STENHOLM. Thank you. We look forward to working with both of you over the weeks and months ahead.

We'll call the first panel: Ms. Ticer, Dr. Meyers, Mr. Rector, Reverend Sherry, and Mr. Gonzalez.

Also, I have the testimony of Alan G. Hassenfeld, chairman and chief executive officer of Hasbro, Inc., in support of the Mickey Leland Childhood Hunger Relief Act, and I wish to have that inserted into the record.

[The prepared statement of Mr. Hassenfeld appears at the conclusion of the hearing.]

Mr. STENHOLM. I would say to all of our witnesses that your entire statement will be made a part of the record. We appreciate very much your attendance here today, and we look forward to hearing from you and look forward to working with you in this endeavor.

We'll call the first witness, the Honorable Patricia Ticer, a member of the Task Force on Hunger and Homelessness, U.S. Conference of Mayors, Alexandria, Virginia.

Your Honor.

**STATEMENT OF PATRICIA S. TICER, MAYOR, CITY OF ALEXANDRIA, VA, AND MEMBER, TASK FORCE ON HUNGER AND HOMELESSNESS, U.S. CONFERENCE OF MAYORS**

Ms TICER. Good afternoon, Mr. Stenholm, and members of the subcommittee. As you said, I'm Patricia S. Ticer. I'm the mayor of the city of Alexandria, right across the river, and a member of the Task Force on Hunger and Homelessness of the U.S. Conference of Mayors. I'm especially pleased to appear before you at this hearing, because I believe we finally have a chance that this will be the year that the Mickey Leland Childhood Hunger Relief Act will actually become law. I want to impress upon you the commitment of the Conference of Mayors and the mayors of this country to making that happen. We want to make sure that that occurs.

It was more than 10 years ago when we began seeing the problems of hunger growing in our cities. It began with the long lines of people waiting for surplus cheese, if you remember, and the proliferation of soup kitchens and food pantries. Ever since then, the Conference of Mayors has been tracking the problems of hunger in our cities on an annual basis. Requests for emergency food have increased each year between 1985 and 1992 in the cities we survey by at least 18 percent and by, in some cases, as much as 28 percent.

Let me provide you now with some of the details of our most recent survey, which examined the status of hunger in 29 cities in 1992. For those cities, we found that requests for emergency food assistance increased by an average of 18 percent. Requests by families with children increased by 14 percent, and just over two out of every three people requesting emergency food are members of families—children and their parents. On average, 21 percent of the requests for emergency food assistance are estimated to have gone unmet. In more than two out of three of the cities' emergency food assistance facilities, they may have to turn away people because of lack of resources.

The overall level of resources available to emergency food assistance facilities increased by 6 percent. Forty-six percent of the cities reported that emergency food assistance facilities are unable to provide adequate quantities of food. Seventy percent said that the food provided is nutritionally balanced. In 82 percent of the cities, emergency food assistance facilities were relied on by families and individuals both in emergencies and as a sustaining source of food over long periods of time.

Unemployment and other employment-related problems, as you all have been discussing, lead to a list of causes of hunger. The other causes frequently identified by the city officials include inadequate public assistance benefit levels, housing costs, the high cost of living, and, of course, the economy. Nearly 9 out of 10 cities expect requests for emergency food to increase this year. Improving the economy and creating jobs were identified most frequently as the most important thing that the Federal Government could do to

eliminate hunger. Improvements in and increased funding for the food stamp program and increased funding for WIC were also cited.

Clearly, hunger remains a serious and growing problem in America, one which we have the ability to solve. We just have not demonstrated the will so far. We can begin to demonstrate that will by passing the Mickey Leland Act. We understand that this subcommittee will be marking it up within a few weeks, and we applaud your resolve.

The Mickey Leland Act takes into account some of the root causes of hunger in this country—inadequate incomes and high shelter costs. It also increases the basic benefit levels. It would allow families to deduct high shelter costs in the same way that elderly and disabled households do at the present time. It would allow relatives to be treated as separate food stamp households if they buy and cook food separately. It would prevent the first \$50 a month paid for child support from being counted as income in determining food stamp benefits. It would exclude from low-income households' income any legally obligated child support payments household members make to people outside of their household. It would index the current \$4,500 limit on the fair market value of vehicles that food stamp recipients may own. Finally, it would raise food stamp benefits to a level more closely reflecting the actual cost of buying food in today's world.

Half of all food stamp recipients are children. Ninety-two percent of all food stamp households have gross incomes equal to or less than the poverty level. They need more help, and the Mickey Leland Act can provide it for them. Be assured that the U.S. Conference of Mayors stands ready to work with you to make sure that this critically needed piece of legislation is enacted into law.

Again, I want to thank you. Alexandria has previously taken advantage of all of the programs of the Department of Agriculture, and this summer the summer food programs are going to be feeding about 1,100 to 1,500 children in our summer programs.

Thank you.

[The prepared statement of Ms. Ticer appears at the conclusion of the hearing.]

Mr. STENHOLM. Thank you very much.

Next, Dr. Meyers, Department of Pediatrics, Boston City Hospital, Boston, Massachusetts.

Dr. Meyers, before you start, let me personally apologize. I'm going to have to excuse myself for a while. I have a bill on the floor today. I'm going to turn it over to the capable hands of Mr. Cal Dooley. I look forward to reading your testimony and hopefully getting back within the hour.

**STATEMENT OF ALAN MEYERS, M.D., ASSISTANT PROFESSOR,  
DEPARTMENT OF PEDIATRICS, BOSTON UNIVERSITY  
SCHOOL/BOSTON CITY HOSPITAL**

Dr. MEYERS. Thank you, Congressman Stenholm, and distinguished colleagues. My name is Alan Meyers. I'm a faculty member of the Boston University School of Medicine and a practicing general pediatrician at Boston City Hospital. The majority of families I see in our clinics are low-income families. I greatly appreciate the opportunity the committee has granted me to share with you some

of our knowledge regarding the effects of hunger and undernutrition on the children of the United States.

Some of what I would like to discuss is presented in a report entitled "Eat to Learn, Learn to Eat: The Link Between Nutrition and Learning in Children," being released today by the National Health/Education Consortium, which is represented here by Judy Ressallat, Washington liaison for the National Association of School Nurses, who will speak briefly following my testimony. I believe this material provides an important context in which to view the significance of the Mickey Leland Childhood Hunger Relief Act.

Hunger, even in the well-nourished child, can adversely affect the child's cognitive performance. Experimental studies have shown that children who miss a meal perform more poorly on school-related tasks than they do after they have eaten. Our own research in Massachusetts suggests that low-income children who participated in the school breakfast program perform better on standardized achievement tests than before the program was available.

Of course, hunger is a natural state experienced by everyone by which the body signals its need for food. The hunger with which we are concerned is that which is recurrent and cannot be satisfied due to inadequate household resources. The hungry child may be listless, irritable, unable to concentrate, and easily frustrated. The prevalence of such hunger is difficult to measure, but an instrument has been developed by the community childhood hunger identification project, or CCHIP. A CCHIP survey conducted in Massachusetts in 1991 found that 43 percent of families who were receiving food stamps were experiencing hunger. These results are not surprising to health care providers working with poor families who regularly report to us that their monthly food stamp allotment runs out by the third week of the month.

If persistent, hunger may lead to pathological states of undernutrition of varying degrees, which also impact on the learning ability of the affected child. A large body of scientific literature documents the adverse effects of severe acute undernutrition on the developing brain of the young child, which probably results in some degree of permanent loss of cognitive potential even with optimal rehabilitation.

We do see some children with this degree of acute undernutrition, but in general it is the milder forms of undernutrition among low-income children, manifested primarily as poor growth rates and iron deficiency, which represent a public health problem in the United States. Children who do not take in enough nutrients to support optimal growth will not achieve their full genetic potential for height. The resultant short stature has been associated with poor performance on tests of cognitive function.

It should concern all of us that an excess of short stature among low-income children has been demonstrated in every national nutrition survey yet undertaken in this country. The cause of this poor growth is most likely a higher prevalence of inadequate intake of food energy among low-income children. Dietary intake data from the U.S. Department of Agriculture supports this interpretation.

Also of concern is the vitamin mineral nutritional status of low-income children, especially with regard to iron. Iron deficiency, with or without anemia, affects development in cognitive function at all ages throughout childhood. Particularly worrisome are recent studies which suggest that these cognitive deficits may not be reversible by iron therapy. Data from the second national health and nutrition examination survey, or NHANES II, show that low-income young children have a three to fourfold higher prevalence of iron deficiency than their peers who are not poor. Data from the Centers for Disease Control and Prevention show an ongoing prevalence of anemia in the 20 to 30 percent range among low-income young children. This is consistent with data we have collected in our primary care clinic at Boston City Hospital.

Mr. Chairman, in view of these facts, the legislation currently being considered by this subcommittee is critically important to the nutritional status of the most vulnerable segment of the child population of the United States. In testimony before the Select Committee on Hunger in 1985, the late Dr. Jean Mayer, a nutritionist of international stature, stated that the food stamp program "has to be considered as the first line of defense against malnutrition of children. The food stamp program, 50 percent of the recipients of which are children, feeds them day-in and day-out."

Many poor families, including many that I see at our hospital, are forced to live constantly on the edge of hunger by the unremitting economic pressures of supporting a family with an inadequate, poverty-level income. In our own research at Boston City Hospital, we have found that more low-income children are underweight in the cold winter months than during the rest of the year, which may well be due to their parents having to make the choice to heat rather than to eat.

In separate studies at our hospital, we have found that poor children whose families are on the waiting list for subsidized housing are more likely to be iron deficient and to have poor growth than are comparable children whose families do receive housing subsidies. It's of particular importance, then, that the legislation being considered by your subcommittee removes that cap on the deduction of high shelter costs from the income level which determines food stamp program eligibility and benefits.

In summary, then, a large number of low-income children in the United States are hungry, and many suffer some degree of undernutrition, which may affect their ability to develop and learn to their fullest potential. The finances of many families are so marginal that the additional stress of a cold winter, a rent increase, or rising food costs may tip them into dietary inadequacy.

For low-income children in the United States, the food stamp program represents their major defense against hunger and undernutrition. However, at current eligibility and benefit levels, the program cannot meet the nutritional needs of the low-income family. To the extent that its provisions will be made more ample, we should expect a corresponding improvement in the nutritional status of some of our most vulnerable citizens—poor children—and a decrease in the number of children who suffer from hunger, undernutrition, and associated learning problems.

Thank you for this opportunity to testify.

[The prepared statement of Dr. Meyers appears at the conclusion of the hearing.]

Mr. DOOLEY [assuming chair]. Thank you, Dr. Meyers.

At this time, we'll hear from Mr. Robert Rector, Senior Policy Analyst for Welfare and Family Issues at the Heritage Foundation.

**STATEMENT OF JUDY RESSALLAT, R.N., WASHINGTON LIAISON, NATIONAL ASSOCIATION OF SCHOOL NURSES, ON BEHALF OF THE NATIONAL HEALTH/EDUCATION CONSORTIUM**

Ms. RESSALLAT. Excuse me. If I might interject, I just had some brief comments. I'm here with Dr. Meyers.

Mr. Chairman and members of the subcommittee, my name is Judy Ressallat, and I'm coming from 20 years of experience in school health nursing in rural Ohio. Dr. Meyers has eloquently discussed his observations and experience with hunger and undernutrition. He's brought to light many important findings from research and surveys about children in low-income families. My brief comments will attempt to personalize the impact of these findings from my experience as a school health nurse in rural America.

My practice setting was the public schools. I covered five schools, which included 3,000 students, kindergarten through 12th grade. Did I see hungry and undernourished kids in my practice of school nursing? You bet I did. Every week. I vividly remember one of my first experiences—Lisa, age 5½, a kindergarten student who missed school frequently and, when she was in school, complained of stomach aches mid-morning and wanted to lay down. She was shy and withdrawn and not used to talking with adults outside of her own family. One day she did share with me that all the family ate was pancakes and that last night she only got to eat one pancake because her five siblings beat her to the plate of pancakes that night.

After getting some milk and crackers for her, I drove her home so that I could meet with the mom and assess the situation. We arrived to a run-down small house with no screens. Lisa ran into the house to find her mom, who was not home. I looked into the kitchen cupboards, and there I saw one box of pancake mix, half empty. Nothing else. No milk in the refrigerator and nothing in the cupboards. Needless to say, this was a shock for me as a young school nurse.

I was able to get an emergency food order from the Salvation Army for this single mom and her five kids. She told me later that the food stamps just did not last. Her kids were always hungry, and they ate the food up right away, especially two teenagers, and then there would be 4 to 5 days of pancakes only. We were able to work with her in planning to supplement with food from the church pantries.

There are many Lisas in this country, both rural and urban, and they need our help. The National Health and Education Consortium has released today an engrossing report, which has been delivered to the subcommittee's office: "Eat to Learn, Learn to Eat." I believe each of you will take the time to think about the material presented.

The consortium grew out of the need for better integration of health and education programs for children. The project is unique in that it has brought together leaders from 57 national health and education organizations, representing 11 million constituents, to bridge the gap between the worlds of health and education and to generate unified action for children. We stand ready to assist the subcommittee members in your challenges.

Thank you.

Mr. DOOLEY. At this time, we'll hear from Mr. Rector.

**STATEMENT OF ROBERT RECTOR, POLICY ANALYST, FAMILY AND SOCIAL WELFARE ISSUES, HERITAGE FOUNDATION**

Mr. RECTOR. Thank you. I would like to begin my testimony with a simple question. I have here to my right a chart which, in constant dollars, shows the growth of the welfare state from 1929 to the present. Of particular interest is to look what has happened to welfare spending from 1965, when the war on poverty began, until the present time. In constant dollars from 1965 to the present, we have quintupled our welfare spending on the 75 largest Federal means-tested programs. These figures exclude Medicare for the middle class and Social Security. In 1990, the last year for which this data is available, we spent a total of \$226 billion on means-tested programs, giving cash, food, housing, medical, and social service assistance to low-income Americans. That was 2½ times the amount of money needed to abolish all poverty in the United States.

My question is, how much is enough? I would like any member here to take that chart back to his constituents and, looking at the data on that chart, say, "Well, the real problem here is we didn't spend enough money. If we just spend some more money, then we're going to solve these problems."

President Lyndon Johnson, when he inaugurated the war on poverty, declared that the war on poverty was going to be an investment in the United States, which would return its cost manyfold to the American taxpayer. Well, as a taxpayer who has invested in the war on poverty to the tune of—the average taxpayer has now paid about \$50,000 per household in taxes into the war on poverty, I think it's time to ask what has been the return on this investment before we put anymore money into the conventional welfare state, as this bill proposes to do.

Since the war on poverty began, we have spent \$3.5 trillion on welfare in the United States. Adjusting for inflation, that is greater than the entire cost of defeating Germany and Japan in World War II. But in the war on poverty, poverty has won. What are the returns that we've gotten for this gargantuan increase in expenditure on food, housing, and every conceivable welfare program that we can imagine? Well, when the war on poverty began, one out of four black children was born out of wedlock. Today the figure is two out of three, and similar increases have occurred among low-income whites. Today one out of eight children in the United States is being supported by the welfare system through AFDC. I repeat that: one out of eight. If we continue down this path, these trends are only going to get dramatically worse.



My second point would be to deal with the general concept here that is the basis of this bill that there is widespread malnutrition among poor children in the United States. Those who contend that there is widespread malnutrition among poor children in the United States despite spending \$226 billion a year on assistance for those children as well as elderly poor people should have to contend with figures such as the following:

Poor children today, when they reach age 18, are 1 inch taller and 10 pounds heavier than the GI's who stormed the beaches of Normandy in World War II. It's pretty difficult to do that if you are consistently malnourished and hungry. Poor children today on average consume twice the recommended daily allowance of protein. They consume exactly the same level of protein intake as upper-middle-class children, protein being the most expensive nutrient. How can these families consume twice the recommended daily allowance of protein at the same time they are allegedly consistently hungry and malnourished?

I would ask, what do the hematological studies done down at Atlanta by the Centers of Disease Control show concerning average deficiencies in vitamin C, in zinc, and other things? With the exception of some iron deficiency, which is still a recurring problem but one that is diminishing, none of these surveys show any form of extensive malnutrition among poor children or at least any that is markedly more extensive among the poor than among upper-middle-class children.

The No. 1 nutrition-related problem among poor people in the United States today is obesity. Poor people are much more likely to be obese than those who are not, and that is a problem that needs to be addressed. It is extremely difficult to reconcile the notion that these families are consistently hungry and malnourished when up to 45 percent of all poor women are chronically overweight. If the argument is that these women eat bad food and they cannot afford good food, it is simply false. I would challenge anyone to show any study that verifies that position. The evidence decisively refutes it.

The third point that I need to make today is that spending on this bill, spending on conventional welfare, will not make the lives of poor children better. In fact, it will make them worse. Poor children today don't need more food stamps. What they need are intact families, strong families. They need fathers in the home. They need to be able to play in their streets and neighborhoods without being shot at. They need good schools that can provide them with a firm moral underpinning. Despite the extensive spending that we put into the public school system, it seems to be unable to do this.

In fact, the Leland hunger bill will not only not address any of those crushing problems, but it distracts attention from them and will make all of those problems worse. How is that? Well, the simple fact of the matter is that the most decisive variable in public policy is the welfare benefits rate, the combined welfare benefits package that is paid to the average single mother on welfare, of which food stamps plays a major part. The simple fact of the matter is that the higher that welfare benefits package is, the greater the illegitimacy and out-of-wedlock births that we have in our country, the greater the welfare dependence, the lower the labor

force participation. When you raise the number of single mothers and pull them out of the labor force, making them dependent on welfare, you decisively undermine the lifetime achievement, the cognitive skills, the probability that their children will graduate from high school, and so forth.

A recent study by Dr. June O'Neil, formerly of the Urban Institute, now of Baruch College in New York City, found that increasing food stamp and AFDC benefits by 50 percent per month causes a 43-percent increase in the out-of-wedlock birth rate within a State. Similarly, a 50-percent increase in the monthly AFDC and food stamp combined benefit package causes a 75-percent increase in the number of mothers enrolled on welfare and a 75-percent increase in the time that they will spend on welfare.

Other studies have shown us—for example, the Seattle-Denver income maintenance experiment conducted in the late 1970's showed that for every additional dollar that we put into transfer programs of this conventional welfare nature, individuals will reduce their labor force earnings by 80 cents.

Similarly, Dr. O'Neil's study showed that a young man raised in the inner city in a single-parent home—recognizing that increases in welfare cause increases in out-of-wedlock birth and single-parent hood, a young man raised in a single-parent home, when compared to a similar child in the same neighborhood, same low-income status, holding all other variables constant, if the father is not in the home, that young man is twice as likely to end up with a criminal career and end up in jail.

The welfare state and what we see on this chart here today has ripped the American family apart, and children have been the victims of that. I am particularly dismayed that President Clinton, after boldly declaring to the American people his intention to end welfare as we know it, has no significant funds in his budget to reform the welfare system, but instead has about \$30 billion, including the funding for this bill, in expansions of conventional welfare.

Thank you.

[The prepared statement of Mr. Rector appears at the conclusion of the hearing.]

Mr. DOOLEY. Thank you, Mr. Rector.

At this time, I'd like to interrupt our format for just a minute, because Mayor Ticer has to leave shortly, and I would ask if any of the members of the subcommittee have any questions they would like to direct to Mayor Ticer.

Mr. SMITH. Just one, Mr. Chairman.

Ms. Ticer, why did you deprive the Redskins of a home in Alexandria? [Laughter.]

Ms. TICER. I very much like those kinds of questions. I wish that we were as successful on all fronts as we were on that, and I don't want to talk about the good guys and the bad guys, but Alexandria was definitely the good guy. Thank you. [Laughter.]

Mr. DOOLEY. We thank you, mayor, for your participation in this hearing.

Ms. TICER. I apologize for having to leave, but I have an appointment back at the office.

Mr. DOOLEY. Absolutely, no problem.

Ms. TICER. Thank you.

Mr. DOOLEY. At this time, we'll turn to our next panelist, the Reverend Paul Sherry, president of the United Church of Christ.

**STATEMENT OF REVEREND PAUL H. SHERRY, PRESIDENT,  
UNITED CHURCH OF CHRIST, CLEVELAND, OH**

Reverend SHERRY. Thank you very much, Mr. Chairman. I am Paul Sherry, and I'm the president of the United Church of Christ, which is a denomination of some 1.6 million members and 6,400 local churches located in the United States and in the Province of Puerto Rico. I speak today on the basis of the policy of our general senate, which is the largest representative body of our denomination.

I want to begin by thanking this committee for your leadership on issues of food security. We appreciate very deeply the interest, the vigor, and the commitment of this committee as you address the problems of hunger and its dramatic consequences on our Nation's people. We have deep respect for what you're about.

I'm here today to urge your continuing support for major public policy initiatives, and in particular I ask you to support the Mickey Leland Childhood Hunger Relief Act. If children are to be fed and lives secured in this society, we really can do no other.

I'd like to share briefly with you the extent of church-related volunteer efforts to respond to growing hunger in this country and to say that voluntary activities and efforts, as important and as significant as they are, are insufficient. Without public sector approaches, including the enactment of the Mickey Leland Childhood Hunger Relief Act, we will not see the alleviation of hunger in this country, and that hunger continues to expand dramatically every day on the streets of our cities and rural areas.

We in the churches are committed to help meet people's needs. Eighty-five percent of the some 6,400 congregations of the United Church of Christ provide needed services, such as feeding centers, soup kitchens, food pantries, or have contributed financially to the support of these activities. In both rural and urban settings, in all of our churches, our church members witness firsthand the growing number of people in need of utilizing these services.

Since 1981, the number of food kitchens and food pantries in New York City, for example, has grown by 2,500 percent, from 30 sites to over 750. In St. Louis the demand on pantries has increased by 15 percent in each of the last 3 years. In Cleveland, Ohio, a city that I left this morning, the food bank distributed approximately 1 million pounds of food in 1980, but by 1989 that figure had grown to 10 million pounds. An ecumenical agency in Cleveland served 129,000 persons in 1981. In 1991, 2 years ago, that figure had increased to 653,000.

Hunger is rising. It's rising dramatically, and it's overwhelming virtually every community in this Nation. This is a moral outrage. It should be, and conscience dictates, I believe, that it simply cannot continue. As I said, the members of our churches are trying to respond. We will continue to do so, but volunteer efforts simply are not enough, and major public sector initiatives are critically needed if people are to receive the food they need to live.

The 18th general senate of the United Church of Christ endorsed the campaign to end childhood hunger in July of the year 1991.

That campaign recognizes the urgent need for increased governmental action. Again, I want to thank you for your efforts in this behalf. That campaign recognizes the fact that food stamps continue to be the most effective program at this time for alleviating hunger in our country. That campaign calls for increases in food stamp benefits and helpful changes in the qualifying criteria. We support the Leland Act because it responds to that call.

On the way down this morning on the plane from Cleveland, I was reading a book of children's letters to God, and one of those letters reads, "Dear God, How come you did all those miracles in the old days but don't do any now?" Well, obviously, the Leland Act is not going to create miracles, but it can indeed move us forward from where we are in this country in terms of alleviating hunger and suffering to where we need to be.

United Church of Christ is only one denomination committed to addressing the root causes of hunger and poverty in this country. Many other denominations, many other religious bodies have similar commitments. We all are united as religious people in our belief that a first and vital step toward the goal of alleviating hunger should be to urge that the food stamp program be accessible to all who are eligible and that the program be provided sufficient support so that children and their families will have enough to eat each month of the year. The Leland bill does this, and we urge its support.

You've already heard some of the major changes that are being addressed in that legislation. I will not repeat them now. But statistics concerning the food stamp program tell only half the story. Numbers really cannot bring to life the faces that lie behind those numbers. They can't convey the stories of those for whom the food stamp program makes such a vital difference.

Let me just give you two very brief testimonies, the first from Cheri Honkala in her capacity as director of the Kensington Welfare Rights Union in Philadelphia. These are her words: "For too long, recipient after recipient has entered our offices throughout the country in search of food for their children. The food stamp program for these families has been the solution. It has put near-starving children to bed, whether it be in the urban or rural areas, with food in their stomachs. Above everything else, we must do all that we can to feed our children."

Then there's John, a 12-year-old food stamps program participant: "Because my mom gets food stamps, I'm better able to concentrate in school. Before all I used to think about was how hungry I was. Now I feel like I'm learning more."

I believe that if we care for our children, not only will they benefit, but so will we all. If we abandon them, however, they will suffer, and so will we all. Hungry children are more than four times as likely to suffer from fatigue, almost three times as likely to suffer from concentration problems, almost twice as likely to have frequent colds. To feed a child is to feed the future. The Leland bill does that. It is a commitment to children and their future.

The Leland bill is an education bill, a health care bill, and a housing bill. It helps families avoid the impossible choice between food and shelter, and I believe the Leland bill is our country at its

best, providing the chance for all children to rise to their potential and to be full and contributing citizens of this beloved land.

It would be a tragedy if this bill were not to pass during this session of Congress. For the first time, there is funding in the budget for the initiatives of the Leland bill, and as the number of hungry children grows, as it does, so too must our commitment to ending hunger grow in this Nation.

Congregations and church members across our country have and will continue to respond to the needs of those who are poor. We dare not and we will not do otherwise. But our resources are insufficient. We simply cannot meet the need. Increases in public resources are required, and you, our public servants, need to respond if hungry children are to be fed. This Nation has a fundamental moral responsibility to meet the basic needs of its people, especially its children. The Mickey Leland bill addresses these needs, and for the sake of our children, for all our sakes, for the sake of this Nation's future, I urge your positive response.

Also on the way down from Cleveland this morning, I read another letter from another child to God. It goes like this: "Dear God, I keep waiting for spring, but it don't come yet. Dear God, don't forget." I hope that we will not forget, because if we don't, children in this society will indeed endure and thrive, and our society will be the better for it, and we will be the Nation that we were created and conceived to be.

Thank you, Mr. Chairman.

[The prepared statement of Reverend Sherry appears at the conclusion of the hearing.]

Mr. DOOLEY. Thank you, Reverend Sherry.

At this time, we'll hear from Mr. Joe Heiney-Gonzalez, who's deputy to the president, Catholic Charities USA.

#### **STATEMENT OF JOE HEINEY-GONZALEZ, DEPUTY TO THE PRESIDENT, CATHOLIC CHARITIES USA**

Mr. HEINEY-GONZALEZ. Thank you very much, Mr. Chairman. I thank you and the subcommittee for inviting us to this very important hearing.

I have to say that the discussions that have been held earlier with regard to hunger in America express to you what we experience. There are 150 Catholic Charities agency directors across the country that today pledge to do fast on the occasion of this hearing. We recently met in Albuquerque, New Mexico, and because of the importance of this bill, we have put forward our own commitment to this. I am the 151st person who is doing this fast today.

As an aside, when I left the house this morning at breakfast time, I told my youngster that I was not eating breakfast with him. He asked "Why not?" I said, "Because one out of five children are hungry in this Nation." He stopped, he looked at me, and he said, "Dad, good thing we don't have five children here, because that fifth one would be hungry." My three boys are very committed to this issue. They are concerned. They are worried because it means that their future may be faced with poverty in the future to see youngsters who are malnourished.

He also said another thing. He said, "Dad, do you understand that if you take one glass of water every hour, you'll have 24 glass-

es of water in you? Boy, you're going to have to urinate a lot today." [Laughter.]

So I hope I don't have to leave the room, because I have been drinking water extensively today.

In all seriousness, thank you for letting me join you today. I am here representing Catholic Charities USA, the largest human service provider network in this country. In the last congressional session, 10,000 members, community volunteers, and clients of Catholic Charities sent letters to their Representatives urging that the Leland bill be passed. Also, there was a Capitol Hill rally where there were youth from the surrounding area who presented a public statement and presented these 10,000 letters to elected representatives, of whom Representative Emerson was there to receive the letters, Representative Kika de la Garza was present, and former Representative Leon Panetta was there. We are here again to ask for your consideration and your support.

In April 1985, Reverend Thomas Harvey, then Catholic Charities executive director, joined with Representative Mickey Leland in urging the Congress to act on a \$1 billion Federal food assistance bill that would expand antihunger programs, such as food stamps and school lunches. Conditions described then by Representative Leland have worsened. Hunger and poverty in America have worsened. As you know, the number of food stamp recipients, which is 26.8 million, and I heard Secretary Espy give a higher figure today in his presentation, shows that the increase for nutrition assistance is at an all-time high.

Catholic Charities USA serves 12 million people a year. Almost 7 million people are in need of food or shelter. They come to Catholic Charities food banks and soup kitchens, and volunteers serve them through a meals-on-wheels program if they are homebound. Ten years ago, 2 out of 10 people who came to Catholic Charities needed food, shelter, or other emergency help. Today more than 6 out of 10 people need food or shelter, and one-third of them are children.

As a native Texan, I am personally interested in the effect that the Mickey Leland bill would have on fellow Texans. West Texas has one of the highest rates of teen pregnancy in the United States. The Leland bill would assist these low-income individuals, pregnant teens, and their youngsters. The Leland bill also would allow poor migrant families to receive food stamps. A high number of farmworkers migrate to west Texas to work in the cotton and vegetable industry. It is very ironic that the farmworkers who harvest the bounty of this Nation's food crops are themselves many times ineligible to receive food stamps.

Food banks, such as the South Plains Food Bank in Lubbock, Texas, distribute food to hungry children in over 80 rural counties. The Leland bill will help rural families as well as urban families. Voluntary service organizations, such as our 1,400 Catholic Charities agencies, cannot carry the burden of hunger in this Nation by themselves. We are stretched beyond our limits. We are losing ground because the number of hungry families are increasing. I urge the Subcommittee on Department Operations and Nutrition and the full Committee on Agriculture to approve H.R. 529. This

bill is the most important domestic antihunger legislation in 15 years.

Catholic Charities agencies in the United States have helped people in need for over 200 years. In 1991 Catholic Charities agencies spent more than \$1.8 billion of public, private, and church resources to assist children, families, and communities. This includes \$1.16 billion in Government moneys. Our untiring commitment to people of all religious, ethnic, social, and economic backgrounds is undisputed and contributes to the common good of this Nation.

Catholic Charities USA will work with Members of Congress and with our colleague organizations and all people of good will to eliminate hunger in this Nation. We urge decisive bipartisan action on the Mickey Leland bill. Children and families of this country cannot wait any longer. It is time that we bring this issue to the floor. Your leadership and your statement of positive action on the Leland bill says to this Nation it is OK to admit that poverty exists in this Nation and that it can be attended to through resources of leadership in the Congress and the administration. It's OK to say that there are hungry children. Let us not deny this reality.

Thank you.

[The prepared statement of Mr. Heiney-Gonzalez appears at the conclusion of the hearing.]

Mr. DOOLEY. Thank you, Mr. Gonzalez, and thank all the panelists.

At this time, we'll open it up for questions, and I would like to defer to the Congressman from Missouri, Mr. Emerson, who's been a leader in this effort for some time.

Mr. EMERSON. Thank you, Mr. Chairman.

You've all presented some very, very interesting testimony. I would like to ask each of you at the table, with the exception of Mr. Rector, for a reason that I will get to, if you disagree with his fundamental premise.

Dr. MEYERS. I'd like to respond to that, Congressman. I do disagree. I would like to address a few points with which I have some familiarity.

Personally, I disagree with the overall premise that vast quantities of resources have been poured into support programs for the poor and we have nothing to show for it but more poverty. I think there have been some important and measurable quantifiable benefits to the people of the United States who have received those benefits.

This is a large topic. I would choose one example that springs to my mind, the USDA-funded study of the effects of the WIC program, the most comprehensive study of its kind, performed by Dr. David Rush. One of the findings of that study was that women enrolled into the WIC program prenatally compared to control low-income women who were not enrolled prenatally gave birth to children who had significantly larger head circumferences and who had better measures of psychometric performance at 1 year and at 5 years after birth. I think that's a striking finding. As a pediatrician, the thought that enrolling a mother prenatally could improve the brain growth of her child in utero and result in better cognitive performance after birth, and that's what the best data show, makes

me more enthused than ever to invest more money in the WIC program.

I'm sure that the members of this committee are familiar with a number of significant studies that have demonstrated that taking into account the costs of caring for premature babies and remedial education in the public schools, it can be calculated that a dollar invested in preventative programs such as WIC can result in savings of several dollars down the line in savings from rehabilitative costs.

The second point I would like to make is that one has to be careful in looking at data that reflect nutritional and health status to not only look at averages, but also to look at what's happening at the tails of the distribution, because in a clinical sense, that's where the individuals are who are likely to be having trouble. When one takes that principle and looks at the best data that we have on nutritional status, for example, which comes from the NHANES studies—we're in the third cycle now; NHANES I was from the early 1970's, NHANES II the late 1970's—if one looks at the distribution of height for age of children in the United States and compares the heights of low-income children to the heights of children who do not have low incomes, there's a twofold excess of short stature amongst low-income children, controlled for race, and that has not diminished.

So I don't understand how one can look at that data, which is the best data available, and say there isn't any evidence that there's poor nutrition amongst low-income people in the United States. Similarly, NHANES II showed us that the prevalence of iron deficiency—and these were by the best measures available—of iron deficiency, which is a serious nutritional problem, the most widespread nutritional deficiency worldwide and with well-documented adverse effects on child development, iron deficiency amongst low-income children under 2 years of age was about 21 percent compared to nonpoor children under 2 years of age, where it was 6.7 percent. I have to look at those data and say that we have a serious problem, and it can be redressed by measures that we have in our hands.

Reverend SHERRY. I'd like to speak rather personally. I served a large social service agency in Chicago in the 1980's. My wife and I were members of the Central City Congregation in Chicago in one of the demographically poorest areas in this country. We were very active in that church in trying to find adequate food resources to meet the needs of children in that immediate neighborhood. Those children that we were able to get sufficient food and nutrition over a period of several years this day are performing not in attitudes of dependence but, just the opposite, are becoming independent and productive citizens. Those children in that same area of the city that we were not able to relate to and connect with and get the food and nutrition that they needed, those children have been lost on the streets of the cities.

So to make the connection between providing additional food and support and services leads ultimately to dependency is precisely the opposite, it seems to me, of what indeed has happened in my experience and in the experience of people across the life of this country. As I look at program after program in our own churches



in rural areas and in urban areas and, yes, in suburban areas, those programs that meet basic human needs for young people, those programs support and initiate independent action, ways by which young people can fulfill themselves as children of God and as citizens of this Republic.

So my understanding and everything that I've ever seen leads me to walk in contrary directions to the findings of Mr. Rector. One of the concerns I have with his testimony is the causality factors that he's using. It seems to me he tries to make a direct causal relationship between those resources we're putting forward to assist people and to many of the pathologies which affect this society. The pathologies that affect this society are far more complex in origin than that, and until this country commits itself more fully to meet the full human needs of its citizenry, we will continue to have the pathologies that you rightly point to.

Mr. EMERSON. Mr. Chairman, I have a rather extensive line of questioning that I would like to pursue, but we are under the 5-minute rule, so I'll just wait until we come around to my time again. I want to certainly give Mr. Rector an opportunity to comment. I understand we're close to a vote, which means then we're going to have some extensive general debate. I don't know if we can round this out today or not by coming back here. It's late in the afternoon. But that's the situation we face.

Thank you.

Mr. HEINEY-GONZALEZ. Mr. Chairman, I do want to go on record that Catholic Charities USA and Joe Heiney-Gonzalez, deputy to the president, does disagree with Mr. Rector's presentation and argument.

Mr. DOOLEY. Thank you.

Mrs. Clayton.

Mrs. CLAYTON. I'm reluctant, I guess, to go into questioning, not knowing where we are in terms of the whole question, but let me just thank the panel, all of them, as well as Mr. Rector, although I thoroughly disagree with him, but thank them all, because all of them have presented new insight for us to begin looking at it.

Let me just pose perhaps one question to all persons other than Mr. Rector. Is there a way we can address hunger more effectively and efficiently through the program than we are? I think a response to any criticism of the program that it hasn't had an output of productivity—I think one has to be responsible to that criticism and then reexamine is there a way where we can be more responsive and responsible, and I agree with the latter point that helping people is not the cause that they're on welfare. It's a larger question.

The background of the food stamp program really was responding to hunger. Unfortunately, it was not to get people out of poverty. Now, I think if Mr. Rector's assumption is that people need to be moved from poverty, I agree with that, but I don't think food stamps were designed, unfortunately, to get people out of poverty. It was designed to respond to the desperation of people needing food, and in my judgment that has happened.

So I would like for you to answer the question, is there a more effective and efficient way through this instrument that we can be better serving the hunger needs of people?

Mr. HEINEY-GONZALEZ. I think the passage of the Mickey Leland bill allows the opportunity to respond to the 5 million children that already face hunger and the potential 5 million or more children that are in risk of hunger. In Catholic Charities' programs—for example, in New Mexico we have a program where families that are on public assistance, that receive food stamps, participate in the curriculum of nutritional education. The curriculum is one of teaching a 12-year-old mother of an infant what it means to prepare a meal and what it means to be a parent. My point is that the Mickey Leland bill would allow voluntary agencies to include an educational component to families who can have food stamps to purchase meals and to learn through the programs that exist for their immediate needs.

Teen pregnancy, as we all know, is a major, major, major issue. These young mothers and working families are in need of food stamps. The use of educational programs tied in with this measure, can be efficient.

Mrs. CLAYTON. Mr. Chairman, recognizing that's the bell, is it possible we can get back to the individual panelists with written questions? Is that permissible through the hearing?

Mr. DOOLEY. Yes, without objection.

Mrs. CLAYTON. Well, let me do that.

Mr. DOOLEY. We can do that. We still have 15 minutes, so we'll continue on for another 10, and then we'll take a short break for the vote. Mrs. Clayton, did you want to continue?

Mrs. CLAYTON. No, I will refrain. I'll come back again.

Mr. DOOLEY. All right. Thank you.

At this time, I'll recognize Mr. Smith.

Mr. SMITH. Thank you very much, Mr. Chairman.

Mr. Rector, reading your statement, I came away with the thought that you were trying to identify behavioral poverty, and I note that you suggest in your statement that the current welfare system undermines work and marriage—that is, a mother must not work or must not marry an employed male.

Mr. RECTOR. That's correct.

Mr. SMITH. Therefore, I want to ask you, if we continue on this way, I suppose we'll continue to interfere with behavioral poverty, but in your thought, should we reverse that and let the mother work, let the mother marry?

Mr. RECTOR. The current welfare system, which includes food stamps as an integral part of it, is a systematic form of child and family abuse. It rewards nonwork, nonmarriage, and it destroys children's capacity to flourish in this society as a result of doing that. We've heard a lot of talk here from Reverend Sherry and others about a religious commitment to feed the poor. I would ask the question, what have we forgotten in this whole process?

I would like to refer to my favorite welfare reform expert, the apostle Paul. In the 1st century A.D., the apostle Paul, laying out the rules of sound and moral charity—and we have a moral responsibility to design charity or welfare in a way that helps rather than harms the poor—the apostle Paul said, "He who shall not work shall not eat," and through the 19th century and up through about 1925, that rule was in fact the cardinal rule in shaping Catholic and Protestant charities in the United States today.

I wonder why we have forgotten that rule. I also wonder why Paul said that. Did Paul see a Gallup poll that told him that would be popular with the voters? Or perhaps he was facing a fiscal crisis and he wanted to cut back on charity-giving in the early Christian church. No, I don't think that was the reason at all. If you look at Catholic charity and welfare givers in the 19th century in the United States, they understood, as Paul did, that if you give food stamps or any other form of welfare unconditionally, without requiring any commitment back or behavior back in terms of the recipient, it has two effects.

One is the demand for that charity grows infinitely and inexhaustibly, and that is what we see in the United States today. You cannot spend your way out of this problem. The more you spend, all the data shows, the more need you're going to generate.

Mr. SMITH. Thank you, Mr. Rector. I think I have that.

I want to ask the two gentlemen of the cloth, do you think the current welfare system destroys families and work ethic? And if you do, what would you do about it?

Reverend SHERRY. I think there are some elements of the current welfare system that need a serious look. Obviously, it's true. We need to think of the best ways by which we can provide the support from which one can then rise to independence of living. The food stamp program does not do that. The food stamp program, deeply rooted in the Leland Act, is an attempt to provide for people in desperate need a floor from which they can move to that sense of self-sufficiency and direction and guidance, without which no one can live a productive life. I've seen that in every city and countryside in this Nation. I've seen what food stamps can do. It provides a basis around which one can move.

But, yes, we need to continue to look at the programs that we have to see if indeed they are providing the movement toward self-sufficiency or if indeed they're not.

Mr. SMITH. Yes.

Mr. HEINEY-GONZALEZ. Catholic Charities USA and its national membership believe that the best place for a family to eat is in their homes, not in soup kitchens and not in soup lines, only to receive parceled out commodities because of the fact that they are poor or because they've been pushed to the fringes of society because of their economic condition. The Mickey Leland Act needs to be enacted because of the 5 million children that are waiting. They cannot wait for the cerebral arguments of Mr. Rector to be thought through, and Congress must act at this time.

Mr. SMITH. Well, is \$7 billion enough?

Mr. HEINEY-GONZALEZ. It may not be enough to end total poverty immediately now, but it begins to feed those children now. It begins to lay a model that legislators as yourselves can see how it can build a process of ending hunger within the immediate 10-year period.

Mr. SMITH. How much is enough?

Mr. HEINEY-GONZALEZ. I can only respond to you at a later date. I don't have the financial analytical figures right now. But \$7 billion is essential to begin with.

Mr. SMITH. Thank you, Mr. Chairman.

Mr. DOOLEY. Mr. Rector, I would just like some comments from you. It obviously appears that something contributed to a great reduction in the poverty rate from 1950 through 1970. Were there some things that we were doing at that time from welfare spending that contributed to that?

Mr. RECTOR. No. In fact, the welfare system was virtually constant during that period. What you see, if you take these numbers at face value, and these are the official numbers which most of the people are using here today, basically economic growth pulled families out of poverty, and it has been doing that through the entire 20th century. If you went back to, say, the 1920's, everybody had a parent or a grandparent who, by our contemporary standards, was poor. Your parents were poor. Mine were, too, in the sense that in 1928 the average family income was \$1,600. If you pull that up to today's terms, it comes to about \$10,000, adjusted for inflation. Everybody was poor, but the economy, economic growth, growing wages, without the welfare state, was doing a bang-up job of eliminating poverty.

It's a funny thing, when you go back to the war on poverty and its originators, they recognized that, but they said, "It's not fast enough. What we're going to do is speed it up." But then around about 1966, 1967, when the war on poverty starts and this spending starts to skyrocket, this poverty thing just kinks out, and we've made no progress since then. I think that's an underestimate, because, for one thing, in that poverty figure, your food stamp program isn't counted. It has no income value, so it's not counted in terms of eliminating poverty. I don't believe that the Federal Government can spend that level of money and have no impact on poverty.

But what we have seen since 1965 is a dramatic increase in the out-of-wedlock births and a dramatic erosion in the percentage of the low-income part of the population that is working. That's what charities understood. They understood up to 1925 that if you gave people a lot of free food, a lot of free housing, a lot of free cash, that's what you would get. You would get single-parenthood, and you would get people out of the labor force. That's what we've accomplished.

Mr. DOOLEY. Thank you.

I would just like to say, on a totally different tact, that an issue of interest is we spend a lot of time talking about the nutritional input of the food that poor families have. Should we not then look at creating some different criteria in terms of what products are eligible for purchase with food stamps? I mean, currently, we have the situation where there's been some convenience stores that have been eliminated from participation in the food stamps, primarily because food stamps are eligible for purchase of fountain drinks. If we really are concerned about getting the best investment from this Government's contribution to food stamps and nutrition, how do we make an argument that we ought to justify this type of expenditure for food stamps?

Mr. HEINEY-GONZALEZ. To the question should we restrict the types of food eligible for purchase through food stamps, I would only respond and ask you, Mr. Chairman, and distinguished Rep-

representatives here, would you wish to be restricted in your purchase of your commodities when you go to the store?

Mr. DOOLEY. I guess the issue, though, is if we are providing in fact a benefit, can we not condition that?

Mr. HEINEY-GONZALEZ. Mr. Chairman, I would question the word "benefit." I believe that I—

Mr. DOOLEY. You don't think there's any benefit to food stamps?

Mr. HEINEY-GONZALEZ. I think food is a basic right of a human being, and so, therefore, when you use the word "benefit," it means that the individual receiving it must be fulfilling certain conditions. Catholic Charities believes that each individual has human dignity and there should be social justice with regard to distribution of resources.

Second, I think that to do as you recommended pushes the poor further into the fringes of society and keeps those that are rich in the center of society, and you begin creating more environments in which Los Angeles riot situations will arise.

Mr. DOOLEY. So you don't think it's appropriate for taxpayers, then, to necessarily condition or try to provide incentives on what beneficiaries of entitlement programs, such as the food stamp program, should be able to spend their benefit on?

Mr. HEINEY-GONZALEZ. I would say that taxpayers have a right to know that their tax dollars are being spent efficiently. I would say that the food stamp program has proven itself with regard to its efficiency rate. And I would say that, yes, educational programs and initiatives are what will assist families, because they are addressing multiple issues that you and I, not aware of poverty, encounter.

Last, Mr. Rector's zeroing in on 75 programs and claiming that they are the cause of economic decay of America is a bit much to stand for.

Mr. DOOLEY. Dr. Meyers, we can take a brief comment, and then we're going to have to adjourn and head to our vote here.

Dr. MEYERS. I want to make the brief point, Mr. Chairman, that I believe that USDA's own studies have shown that families purchasing food with food stamps make decisions that, from a nutritional point of view are as good as, or better than, middle-class families.

Mr. DOOLEY. So there wouldn't be any real benefit, then?

Dr. MEYERS. No, and it's already restricted in that nonfood items can't be purchased.

Mr. DOOLEY. I thank you for the comments. What we're going to do is we're going to take a brief adjournment because we have a vote, and if you folks can remain with us for about 10 minutes, I know Mr. Emerson has some additional questions he'd like to ask.

Mr. EMERSON. If anyone has travel obligations, I would not object to their being excused, but to those who can stay, I would like to ask some more questions.

[Recess taken.]

Mr. DOOLEY. If we can go ahead and reassemble, I know Mr. Emerson has a few questions he'd like to continue to ask whatever panelists are still here, and then we will proceed to the next panel. It looks like we have Mr. Rector and Mr. Heiney-Gonzalez.

Mr. Emerson.

Mr. EMERSON. Thank you, Mr. Chairman.

I'm glad some of you could stay. I don't want to prolong this interminably, but there were a couple of points that I wanted to make before we concluded. I didn't want to just leave us where we were. Certainly, I would want to give Mr. Rector the opportunity to comment in response to the comments that he has heard in answer to the question that I asked, if Mr. Rector would like to.

Mr. RECTOR. Yes. This is one of these things where somehow, after a period of time, all of the myths are going to be dispelled and all of a sudden something that was quite obvious all along is going to become clear. It may take 10 years. I'll state the basic fact.

Poor children in the United States today are not malnourished, they are in fact among the most supernourished group of people ever to exist on the face of the Earth. They are huge, large, strong people. They are stronger than any previous generation, bigger than any previous generation of American children. They are bigger probably than any previous generation almost in the history of the world, and that's because they've been pumped full of proteins and vitamins and minerals through their entire course of childhood. That's why they're bigger and stronger than the GI's who stormed the beaches of Normandy. It's why on average a poor child today is bigger and stronger than the average middle-class child in the 1950's.

The reality is—and I'll state one other very simple thing without getting into all these details—obesity tells you a whole lot. If you look at all the nations in the world, if you look at low-income, less-developed countries, in those countries, in every single one of them, if you look at socioeconomic status and obesity, obesity or overweight status is much more prevalent among middle-class and rich people. Why? Because food is hard to get in those societies, and you have to have a lot of money to get a lot of food. Lower-income people in those societies don't have enough money to buy a lot of food.

As soon as you hit industrialized status like we have in the United States and in every single other industrialized country, as soon as the average income rises, that flips over and obesity becomes much more prevalent among the lowest-income members of society. The reason for that is that at that point food has become so prevalent in those societies and so easy to obtain that it takes an active act of discipline among all members of society to keep from overconsuming food.

Again, if you look at the chart and the table that I submitted, you cannot tell the difference between average protein, mineral, and vitamin consumption of very poor children. Children with incomes below 75 percent of the poverty threshold, their protein consumption is 211 percent of RDA. You go to the upper middle class, it's 213 percent of RDA. You can't tell the difference, with the possible exception of iron, between the very poor kids and the upper-middle-class kids on average.

If you want to go to the tail end of the distributions, then look at what the CDC does in terms of collecting blood samples. They collect blood samples from poor kids, poor adults, and they can find no evidence of protein deficiency anywhere at any point in the entire population of the United States. Same thing with every vitamin they test, and on and on and on.

There are terrible, terrible problems facing poor children in the inner city today, but a lack of food stamps is not one of them. That's not what's causing the crime rate here, it's not what's causing the educational failure rate, and it's not what's causing one out of eight children in the United States to be on welfare and to pass that tendency to be on welfare on to their own children.

Mr. EMERSON. Thank you, Mr. Rector. I've been involved in this problem for my entire tenure in the Congress, most specifically over the course of the past 10 years, in the course of which eight of those years I have been the ranking minority member or was the ranking minority member on the Nutrition Subcommittee of this committee, and for the entire 9-year period of the life of the Hunger Committee I was a member of the Hunger Committee and the ranking Republican for the last 5 years.

Frankly, I have come to the conclusion—I feel, and feel very strongly, that what we have in this country is a welfare maintenance system that has indeed generated a lot of dependence. I think that's almost indisputable. I think liberals and conservatives, Republicans and Democrats, should be able to agree upon that point, and given the fundamental nature of the basic well-being of our people, we ought also to be able to agree on what to do to fix that problem.

I think in addressing that issue of how we fix the welfare system so that we help people get up and off of dependency that, frankly, the issues raised by you, Mr. Rector, are going to have to be addressed. I'm not sure that I agree with all of your conclusions. You've presented some data here that I would like to examine. But I think that you make a lot of points that should be objectively considered.

Conversely, I would have said to Mr. Sherry that his plea for children is eloquent, but that the picture that he painted about what the Leland bill might do in fixing the problems of malnourished children I don't believe is accurate without a whole lot of other things happening—safe schools and safe streets and stable families, a growing economy, and job opportunities.

So I don't think that we can piecemeal fix this problem. I think we've got to address the larger issue of welfare reform comprehensively and that we should be open-minded as we approach that issue and try to do those things that, based on some evidence, will work or won't work. I think that we have a responsibility to set policies that will uplift our people, and I don't think that people who, of necessity, are in the welfare trap want to be there. There's something wrong with the economy, there's something wrong with the value system that permits these conditions to occur in the first place.

I don't believe Government has all the solutions. I think that we've got to turn to other institutions in addition to—I'm not maintaining that there's no role for Government, but in addition to Government, and maybe some of the institutions—the family, the schools, the religious community—we need to focus on how all of them might be doing a better job also.

I am concerned that what we have is a welfare maintenance system, and in maintaining people, Mr. Rector, we're adding money every year to some of these welfare programs, because we do have

inflation, and that's about all we're doing is maintaining. That's my point. About all we're doing is maintaining, because it's going to cost—

Mr. RECTOR. Congressman, this is in constant dollars, and it's adjusted for inflation. That isn't maintaining. That's going up. It's been going up, and contrary to general claims, it went up actually during the Reagan period. Total welfare spending. The only way you can contest that is people take 1 out of the 75 programs and say, "Well, this one didn't go up." Well, a lot of them did go up.

Mr. EMERSON. But here's another point. You know, there are a lot of different sociological factors at work today as opposed to 1925. Maybe we made a wrong turn in 1925. I don't know. Maybe we did. But we are where we are, and we're not going to let the safety net collapse, we're not going to stop providing food assistance to people who, for whatever reason, need food assistance. So I want us to get, and get quickly, to the national debate that I am sure is going to occur on comprehensive welfare reform, because I think all of the factors that have been laid on the table today need indeed to be taken into account.

I do know some conservatives who argue that if everyone would simply get their lives straightened out, we wouldn't have these problems to deal with in the first place, and I know that liberals think that if we just add a little more money, it's going to cure the problem. I don't think either of those positions is going to fix the problem. I think that we've got a serious situation on our hands, and the sooner we can get into a realistic appraisal of what works and what doesn't work and how to cure the problems and get people out of the welfare dependency trap, the better, and certainly to have a system where they don't get into it in the first place.

Mr. HEINEY-GONZALEZ. If I may, Mr. Chairman, my comments earlier for this hearing were focused on the Mickey Leland bill, not on welfare or the debate of welfare. But I would offer our organization as a resource when the time comes for that debate, and we wish to be part of that. So I would like to go on the record with that.

Second, I do need to address the general statements that have been made here with regard to welfare dependency, both in the implied economic material being presented here by Mr. Rector and some comments by Representative Emerson. Welfare dependency is seen as part of a stereotyping of a problem that has not been addressed for many, many years. Yes, there are things that need to be addressed, and the debate must continue. But, specifically, people who use welfare, it is known through studies—and I do not have them here, since I did not prepare for them—but, in general, it has been known that recipients of welfare stay on or who need welfare go on it because of the loss of a job.

So we're talking about economic realities of joblessness out there. We're talking about lack of training of individuals who have never been able to get into the job market to begin with. We're talking about families who have never had the support needed to get them to the level of living beyond one more day of economic need. Yes, our Federal programs and tax dollars need to help bring families out of poverty. Unfortunately, the experience of Catholic Charities USA is one that allows us only to have families live 1 more day



by giving them some food to live and try to suffer through the next day with resources and support by the voluntary agencies.

In summary, I'd say that dependency needs to be addressed head-on. We cannot talk in generalities. Welfare does help people. Let us not throw out the baby with the bath water. But families are known to stay on welfare between 6 months to 1 year, and they move on if they get jobs. There's a group that stays on between 2 to 5 years, and then they move on because they have had support that Federal programs provide. And then, yes, there are the families that are ongoing welfare recipients. At some point we need to analyze the actual statistical analysis of those categories. Also, let us not forget that there is institutional racism in this country that plays a very serious part in the whole issue of welfare, and that is another item that is denied in review of our policies here in this Nation.

Mr. EMERSON. I think that in the course, certainly, of the last 10 years, I have, between this subcommittee and the Hunger Committee, participated in probably somewhere between 70 and 90 field hearings. These have not been field hearings where we just went and sat in the meeting hall and listened to people present testimony. In most of those hearings, we did site visits to not just soup kitchens. Oh, no. We've done that. Not just to feeding centers. But I've been a couple of times with Secretary Espy to his former district down in Mississippi and have been in the homes and seen the conditions and seen what exists. We've been to the urban areas. There's virtually no part of the country that, in looking at hunger and poverty and malnutrition, we have not been, and I just want to say we haven't just talked about it, we've actually gone and looked at it.

Mr. Rector, I might suggest that while in theory I think you have a lot of good points to offer, I think you ought to go see some of these conditions yourself.

Mr. HEINEY-GONZALEZ. I have personally invited him to come visit and work in one of our field programs to see and experience what it is like to work with a person that has reached their edge, that has reached the end of their rope, and experience the conditions that people live in that he is generalizing are part of the problem of our Government policies today.

Mr. RECTOR. I'd be happy to take up that invitation. I've been in a lot of low-income communities, a lot of public housing situations. Again, the problem I don't see there, I don't see a lot of malnourished kids that look like they came out of "Oliver Twist." I see a lot of kids who don't have dads and are running around with guns, and that's what I see. And they don't have good schools. Those are the problems I see.

If I could just add one thing there, of the close to 5 million families currently on AFDC, about one-half of them are going to remain on AFDC for over 8 years. That data is directly out of the Ways and Means green book prepared by the Democratic staff. What I think is the real tragedy of this bill is that the \$6 billion to \$7 billion that's being proposed to be spent here would pay for a major, major portion of President Clinton's welfare reform, and there is no money in his budget for welfare reform. He promised it to the taxpayers, he promised it to the voters, and here we are expanding the

conventional welfare system yet again, for the infinite time, and there's no significant money in the budget for welfare reform.

The money that is in the Leland bill would pay for probably one-half of the welfare reform that's needed, but it's not doing it, and I think that's a real tragedy. It's a tragedy for the poor, and it's a tragedy for the taxpayer.

Mr. EMERSON. Well, another factor we do have to consider is by one count—this was a year or so ago—there are 125 separate social welfare programs in this country, not one of which is hooked up very well with the other. I think that we need to consolidate, integrate, and automate a lot more than we have. I think we've got to gear toward giving legitimate, full-fledged help to people who need it in order to get them up and running, and we need also to examine the problem of dependency and fraud. I mean, those are elements that rile the taxpayers, but I think there's rather universal acceptance of the fact that for those who, for a whole variety of reasons, are in the trap, they need legitimate full-scale help to get out of the trap.

Those are some considerations that I want to bring forward as we pursue the subject of welfare reform. I don't think that the President can just sit down there and say, "OK, this is welfare reform. Let's do it." I think there has to be some rather broad-scale public education efforts, some rather large-scale debate, yes, Mr. Rector, of points that you've raised and that others have raised, and let's see where as a society we come down on this issue.

I think the system that's in place right now is maintaining, and I believe it's, in a certain subjective sense, helping a lot of people. But I think we need to do better as a society. I think that these tragic cases of people being malnourished or hungry or ill-attended medically or ill-housed, as a market-oriented, capitalist, democratic society, we've got to find better solutions than we have thus far.

I guess that's my ultimate point. I think our current system is failing us. I think it's simply maintaining a lot of people, but we're not really bringing people up and out.

Mr. HEINEY-GONZALEZ. If I may add briefly, I fully agree with that last statement. What we have right now is failing us very evidently. So Catholic Charities USA welcomes you and your colleagues to visit in the field. We offer our programs as resources so you can look at them. We'd be happy to work with you, because we believe, too, the system is not working properly.

Last, I would say that for the Mickey Leland bill, I think it offers us four very crucial elements at this time. Father Fred Kamber, at our director's meeting in Albuquerque, New Mexico, said that the challenge to us in public policy lies in four areas: One, that policy, whatever issue we're addressing, be it teen pregnancy, be it the national budget deficit, and so forth, demands us to be reflective of what we are as a society and what we ought to be as a society; what policy is needed in this Nation, what values are promised by Government for the people and by the people and all the people inclusively; (2) it demands us to be focused on the issue, (3) but it also challenges us to be hard-headed so that the human values upon which this society is built upon are carried forward, value in individuals and their human dignity; (4) and last, examining policies in our society here, such as we're doing here, demands that we

be collaborative, that all parties, all views, Mr. Rector's included, be viewed, but not to forget the human dimension and injustice that does exist.

Mr. EMERSON. Thank you.

Mrs. CLAYTON [assuming chair]. We want to thank the panelists for their contribution.

We will ask that the third panel assembled here come and take their seats, and then I'm going to turn this over to our chairman.

Mr. STENHOLM [resuming chair]. Ms. Deyampert, I understand that you have a scheduling problem here, so we will allow you to go first when you are ready.

**STATEMENT OF MARY K. DEYAMPERT, DIRECTOR, NORTH CAROLINA DIVISION OF SOCIAL SERVICES, ON BEHALF OF THE NATIONAL COUNCIL OF STATE HUMAN SERVICE ADMINISTRATORS, AMERICAN PUBLIC WELFARE ASSOCIATION**

Ms. DEYAMPERT. Thank you very much, Mr. Chairman.

Mr. Chairman and members of the subcommittee, I really do thank you, I can't say enough, for the opportunity to speak today at this very important hearing. I am Mary K. Deyampert, and I am the director of the division of social services in North Carolina. I am here today representing the American Public Welfare Association's National Council of State Human Service Administrators.

We've heard a lot today about the Mickey Leland Hunger Relief Act. We have also consistently supported the Mickey Leland Act. We have supported that act since its introduction as well as important food stamp administrative reform to simplify the program and to make it more accessible to the participants. We are very pleased to once again give this legislation our strong endorsement. The need for the Leland Act, as you've heard from others that have spoken before this panel, is very apparent, and it's shown more recently in studies documenting the alarming number of America's children who are hungry or at risk of being hungry.

As administrators, we can certainly confirm the growing need for food assistance. Since July 1989 the food stamp caseloads have grown by 44 percent. A record of about 26.83 million Americans now participate in the program. I can sincerely speak for my State of North Carolina. Between the time period of 1989 to 1991, we were one of the fastest-growing States in terms of our caseload growth.

We're particularly pleased with several specific provisions in the Leland Act. Certainly, one of the most important for us is a simplified household definition. That's section 301. This provision would not only enhance access and strengthen benefits for families, but it would simplify the unusually complex set of requirements and exceptions in present law that cause substantial difficulty and errors for administrators. These requirements and exceptions were created by a series of legislative attempts in the early 1980's to restrict program access, followed later by attempts to reverse that direction. The net result was to greatly complicate States' task of determining the correct household grouping for food stamp benefits. Section 301, in my judgment, strips away most of the complicating layers of rules and is one of the most essential features, I think,

of the Leland Act. We will work diligently to see that it remains intact as this legislation progresses.

We're also especially pleased with section 201, the exclusion of the first \$50 a month received in child support, which, again, provides an important benefit and incentive for program participants while removing an extremely troublesome difference between food stamps and AFDC.

Two other important provisions that will meet the needs of the families we serve and promote their self-sufficiency are section 101, the removal of the cap on shelter expense deductions, and section 203, the increase in the allowance value of motor vehicles.

Mr. Chairman, we very much look forward to passage of the Mickey Leland Act and believe it will greatly strengthen the food stamp program. I do want to say that on behalf of all of the administrators that work in the program—and I have been in this program, in public social services, 28 years—we do take very seriously the integrity of the program and are very dedicated to ensuring and to making sure that the program runs efficiently and serves the individuals that it was intended to serve.

This is why we urge you and the subcommittee to keep in mind the need in the passage of this bill for some of the simplification and reforms that will help us deliver program benefits with the accuracy, timeliness, and attention that participating families deserve.

There are two major areas of program administration that must be reformed in this bill if we are to be able to continue carrying out our crucial roles. The first of these urgent reforms concerns the Food Stamp Quality Control System. We, as administrators, support the concept of quality control. We are not about to back away one step from program integrity. But we are opposed to the QC System as it currently exists. We believe the present QC System is invalid, and we believe it's unfair, and we believe it fails to serve as a management tool for States to improve their programs. Instead, the QC program as it exists today is burdensome, and it imposes excessive fiscal penalties on nearly all of the States and counties in this country.

Earlier Representative Jill Long of Indiana talked about the bill that she had introduced, H.R. 1195. That bill can at last complete the process of food stamp QC reform. The bill is nearly identical to one that was introduced in the House last year, I believe, by former Representative Charles Hatcher. Unlike the Hatcher bill, however, Representative Long's bill does not contain a waiver of past sanctions from the years 1986 through 1991, and that is because in an unprecedented agreement reached earlier this year, States settled these sanctions with the Food and Nutrition Service. We settled these sanctions with the return of a \$45 million investment of State funds in administrative improvement, an investment that I think clearly demonstrates our commitment to quality improvement. We urge you and the full Agriculture Committee to support H.R. 1195. H.R. 1195 does not do away with QC, it merely seeks to change the flawed QC System that we currently have.

A second major administrative need is simplification of present food stamp administrative requirements, and alignment of policy, where appropriate, with that of the existing programs. APWA has

recently analyzed 57 significant different AFDC and food stamp issues and has grouped those into either legislative or regulatory recommendations to change and to simplify the system. I chaired the group that worked on those 57 regulations, and that's attached as a part of our formal testimony, I believe, for the record. We strongly urge you to enact these proposals this year as part of a comprehensive package of program improvements.

One of the things that I want to take the time to mention here is that earlier this group talked about and supported automation and the need for automation, and I clearly support that and believe that it's absolutely essential. But one of the issues or one of the tensions with respect to that is that I believe the elimination of the enhanced FFP match for automation flies in the face of the need for automation and what the States really and truly need.

Finally, I would like to say that it really and truly is important for us to genuinely analyze all the important features that the Mickey Leland Act does. State administrators believe wholeheartedly in this act and support it very strongly.

Once again, I do thank you. It's genuinely been a pleasure for me to come and take the opportunity to share with you my thoughts today. Thank you very much. I'd be happy, if I could, to entertain any questions.

[The prepared statement of Ms. Deyampert appears at the conclusion of the hearing.]

Mr. STENHOLM. Thank you. We will wait on questions until the end of the panel, but when you have to leave, you can certainly be excused.

Ms. DEYAMPERT. Thank you very much.

Mr. STENHOLM. Mr. Greenstein.

#### **STATEMENT OF ROBERT GREENSTEIN, DIRECTOR, CENTER ON BUDGET AND POLICY PRIORITIES**

Mr. GREENSTEIN. Thank you, Mr. Chairman. I'm Robert Greenstein, director of the Center on Budget and Policy Priorities. A number of years ago I served in USDA as Administrator of the Food and Nutrition Service.

I'm a little torn as to how to spend my time. I was fascinated by the debate in the last panel, the debate involving Mr. Rector and Mr. Emerson. If I were a Member of Congress, I would say to Mr. Emerson that I would like to associate myself with his remarks. The current system in many ways does maintain people and needs major improvement.

By the same token, I have spent a lot of time over the last 2 years reading the same studies as Mr. Rector cites in his presentation. He and I have debated a number of times, and I'll not use up all my time doing this. But in area after area from the tables he cited and others, the research and the data don't show some of the specific findings that he noted.

Just as one very brief example, he mentions in his statement that virtually all poor Americans live in well-maintained housing. The latest census data show that one out of every five households live in substandard housing, and 29 percent of poor blacks live in housing classified as physically deficient by the Department of

Housing and Urban Development during a study conducted under the Bush administration.

The research also does not show some of the extraordinary effects that he cited—huge increases in out-of-wedlock birth rates—from the public assistance system. But on the other hand, coming back to your point, Mr. Emerson, the evidence is relatively strong that the AFDC system as currently set up penalizes work and penalizes marriage, and it needs to be significantly overhauled.

One point I'd like to make now before getting into my testimony is that we need to be very careful to remember the difference between the AFDC structure and the food stamp structure. The food stamp program, is an example of a well-designed program. In the specific areas where AFDC is poorly designed, food stamp differs significantly. If you go on AFDC, after your fourth month of working you lose a full dollar for each additional dollar you earn. In the food stamp program, your benefits drop 24 cents for each additional dollar you earn. That has long been praised by many poverty experts as a much better design that has better work incentive features. In AFDC, when you hit a certain threshold, you lose a lot of benefits. You lose Medicaid coverage. You have a big loss in benefits from earning a little more. There is no similar cliff in the food stamp program.

In AFDC, if you are a two-parent family, you often can't get benefits, whereas for the same amount of work and the same amount of income, a single-parent family can get benefits, so there's an incentive to split the family. There is no place in the entire food stamp program where there is a rule that discriminates between two-parent families and makes them less eligible for food stamps or eligible for fewer stamps than a single-parent family in the same circumstance.

In short, food stamps avoids a number of these pitfalls. Interestingly, a couple of months ago I was on a "C-Span" call-in show with Jim Miller, the OMB Director under President Reagan, and a caller asked about a program that he and I both agreed was not very well run at the Federal level. Mr. Miller's answer was, "We have poorly run programs, and we have well-run programs. One of the best-designed programs is the food stamp program." An interesting response.

I'd like to turn now to some of the points made in my testimony. One of the things I find myself thinking about from time to time is, if the food stamp program is as large as it is today, why do we still seem to have a significant hunger problem? Why would something like the Mickey Leland bill be needed? There are several aspects to this. Most of them go well beyond the issue of food.

We know that poverty is high. In 1991 the number of poor people in the country was higher than at any year since the mid-1960's. The rise in poverty has been especially marked among poor children. Among children, more than one in five children today is poor. Among black children below the age of 6, one of every two is poor. We have a recent study by a distinguished team of international researchers which finds the child poverty rate in the United States is now double the rate of Canada and four times the average of Western Europe.

This long-term rise in poverty has been accompanied by and partially caused by several other trends—eroding wages and a consequent increase in the ranks of the working poor, more single-parent families, and a growing shortage of low-rent housing. Census data show the ranks of the working poor have swelled in recent years as wages have slipped, especially for low-skill jobs. The average hourly wage for nonmanagement employees in the private sector is now lower than at any time in the 1970's or 1980's, adjusting for inflation. Obviously, the internationalization of the economy has a lot to do with this. A census report released last year found that the proportion of full-time year-round workers paid a wage too low to lift a family of four to the poverty line grew by 50 percent between 1979 and 1990.

Another long-term trend—Mr. Rector talked about this—is the increase in the proportion of single-parent families. In single-parent families there's no spouse to help support the family and share child-rearing responsibilities. There's no possibility of a second earner, and the single parent is often unable to work full-time herself. That makes the provision of child support payments especially critical, but too often they're not paid.

The housing issue is also of great importance. Census data show that in about 1970 there were 400,000 more low-rent units than low-income renters in the United States. By 1989 there were 4 million fewer low-rent units than low-income renters. As a result of that, poor households spend increasing shares of their limited incomes on housing. The standard set under the Reagan administration holds that housing is unaffordable for the low-income household if it consumes more than 30 percent of income. The latest data show that over half of poor renters are paying over 50 percent of income for housing, and as they pay more for rent, less money remains for food.

Interestingly, these problems are acute in rural as well as in urban areas. The poverty rate remains higher in rural America than in urban areas. The growth in the ranks of the working poor has had a particular impact in rural areas. In fact, census data show that 70 percent of all poor rural families not headed by a retired, ill, or disabled person are families in which the household head works. The lack of sufficient low-cost housing is a problem in urban and rural areas alike. In fact, the region of the country in which the number of poor households that pay over one-half of their income for housing is greatest is the South.

Put all these trends together, and they do impact the food purchasing power of low-income households. ERS at USDA issued a major study of food expenditure patterns during the 1980's. I have a table on this. I don't know if it's been given out. It's also on page 4 of my testimony. What the table shows is that between—this is ERS data—1980 and 1988 for the middle one-fifth and the top one-fifth of households, average food expenditures stayed about the same. They rose about 2 percent. For the poorest one-fifth of households, food expenditures per person dropped 13 percent between 1980 and 1988. This is undoubtedly linked to such factors as eroding wages, eroding public assistance payments, and the tendency of housing costs that consume a steadily rising share of household income.

I think these developments help explain why hunger remains a serious problem despite the availability of the food stamp program; obviously, while their main effect is on poor households, they also affect agricultural producers when low-income people purchase less of the products that they produce.

These data have significant policy implications. They suggest we need to take policy actions aimed at a number of goals, some of which are beyond the scope of this committee: Reducing poverty and hunger among children so they have a better chance of achieving their full potential and becoming productive workers that our economy needs; more adequately rewarding hard work performed at low wages; and promoting self-sufficiency and parental responsibility through work effort and meeting child support obligations. Reforms in the food stamp program can't solve all these problems, but if they're well-designed, they cannot only help reduce hunger among poor households and especially children, but also make some progress in rewarding work and promoting self-sufficiency and parental responsibility.

In my view, both H.R. 529 and the new administration bill meet those goals. These pieces of legislation are well-targeted. They primarily focus on poor children and their families, with particular targeting on those whose housing costs are especially high in relation to their incomes. Incidentally, when you look again at who those households are and who benefit, they're spread across the country. Every time this issue comes up, someone asks us—because we do a lot of data work on housing—whether this isn't primarily an issue in the Northeast. The Congressional Budget Office did a run on this in 1990 and found that 7 of every 10 food stamp households that would be helped by removing that ceiling on the shelter deduction are outside the Northeast.

H.R. 529 and the administration's legislation assist the working poor in important ways. They're consistent with the goal espoused in recent years by Members of both parties, most recently by President Clinton, that if a family works full-time year-round, the family shouldn't be poor. In the President's calculations on how to achieve that goal, the most ink on paper has been on his proposed increase in the earned income credit, but the President's and the administration's proposal actually is that full-time year-round minimum wage earnings plus the EIC and food stamps would get one to the poverty line. Their proposal would help many of the working poor who don't get food stamps now through raising the vehicle limit, which particularly affects the working poor.

I was also pleased that they've proposed to strengthen the food stamp employment and training program in a way that fewer able-bodied recipients would be excused from the program on the grounds that participating in it would require them to bear work-related expenses that the program would fail to reimburse.

Both bills—I think is quite important—bolster the child support system by strengthening incentives both for custodial parents to help track down and collect support from absent parents and for absent parents to meet their child support obligations. The bills simplify the programs, which should help reduce errors. They align, in a number of respects, food stamps and AFDC more closely. The administration bill goes farther on that front than H.R. 529 does,



and the administration bill has a battery of antifraud and abuse provisions to strengthen program integrity. It, of course, also is designed to offset the impact of the energy tax on low-income households.

I'd like to close with just a couple of final issues, one of particular interest to the chairman and also to our center because of our work on budget issues. The administration's estimates note that its legislation would cost \$1.5 billion to \$1.7 billion a year starting in fiscal year 1995, with a 5-year cost of about \$7 billion. H.R. 529 would cost \$6.3 billion over 5 years. Should one view H.R. 529 as the less expensive bill? The answer is no. The added cost in the administration's bill stems from more honest budgeting, not from a more expensive bill.

All earlier versions of the Leland bill, including H.R. 529, reduced their 5-year costs by phasing in their major provisions slowly and backloading them. One of the largest provisions in H.R. 529 wouldn't take effect until the sixth year, outside the normal 5-year budget measurement period. That's not the case with the administration's bill. Every provision in it is fully in place by 1995. It is because the administration's bill doesn't use phase-ins that its 5-year costs are modestly higher than H.R. 529, but its long-term costs are lower in the sixth year and all subsequent years. It costs \$200 million a year less than H.R. 529. It is actually a less expensive, not a more expensive, piece of legislation.

Last, I think very highly of both H.R. 529 and of the administration's bill. The changes the administration has made to H.R. 529 contain a number of excellent additions. There is one aspect of the administration bill that I believe should be modified slightly. That bill proposes to reduce to 50 percent the Federal matching rate for State administrative costs in computers, fraud investigations, and a couple other areas, and it would make that effective on April 1, 1994.

I believe the administration's basic principle is sound. I see no reason why States shouldn't assume 50 percent of those costs. But I think there's a problem with the timing of the provision. April 1 falls in the middle of the State fiscal year. By the time the reconciliation bill is enacted this summer, most States will have completed work on their budgets for that year, and many States are still in fiscal crisis due to the weak economy. Since this is a cost shift to States, I'm concerned that if we do it all at once, we could get some money withdrawn from the basic administration of the food stamp program. My suggestion is simply to implement this provision over several years in stages. The long-term effect would be the same.

I would note that the President's budget as of about February 5 had exactly the proposal that I'm recommending. In the final days before it was released on the 17th, it was changed from three stages in one fell swoop in order to hit the deficit targets. However, at that point the administration hadn't designed the bill they brought up yesterday. Now that they have, their bill is actually under the targets in the budget resolution. It is under their own budget, which means there would be room to help States by implementing that provision in stages, and I'd urge the subcommittee to look at that as it deliberates on this bill.

In conclusion, I'd just say that following the discussion in the earlier panel, I think this is a piece of legislation that's a "two-fer." It both helps deal with issues of hunger, particularly among children, but in a number of areas also helps the working poor, rewards work, strengthens the child support system, and moves us into the direction that a larger, more comprehensive welfare reform should ultimately take us.

Thank you.

[The prepared statement of Mr. Greenstein appears at the conclusion of the hearing.]

Mr. STENHOLM. Mr. Fersh.

**STATEMENT OF ROBERT J. FERSH, EXECUTIVE DIRECTOR,  
FOOD RESEARCH AND ACTION CENTER**

Mr. FERSH. Thank you, Mr. Chairman. In light of the hour and length of the hearing, I will summarize my remarks quite briefly. I'd like to ask that my statement be included in the record in full as well as the additional fact sheet on hunger in the United States that we've prepared. I'd also like, in light of the late-breaking administration bill, to be able to submit a letter with some comments on some changes they're recommending. Finally, I, like Bob Greenstein, am torn about whether to talk about my original testimony or respond to Mr. Rector. We do have a paper we'd like to submit for the record which provides a lot of evidence contrary to what Mr. Rector provided.

Mr. STENHOLM. Without objection.

Mr. FERSH. Thank you very much.

I, too, want to, for the record, acknowledge the extraordinary role of this subcommittee and the full committee and this subcommittee's predecessors. There's a history of bipartisan efforts on hunger in America, and we certainly hope that this will be the year in which the Leland bill, which has been pending since 1990, will really be moved through.

Mr. Stenholm, we very much appreciate your leadership, the leadership you're exhibiting already, and the kind of energy you're putting into this issue as you assume the duties of this subcommittee.

I also wanted to mention the extraordinary role Chairman de la Garza has played, and I wanted to acknowledge that he is right that this committee has time and again passed legislation on a bipartisan basis to deal with the issue of hunger in America, yet only a relatively few of those pieces of legislation have passed in recent years.

Let me also say it was with some pleasure and delight I heard the administration support a bill that's as positive as the Mickey Leland bill. We do have an issue with one particular provision, which has to do with the recoupment of benefits from recipients when there's been a State agency error, and that's what we'd like to submit some testimony on rather than dwell on that now.

The bottom line for us is that there really is a hunger problem, and you can rely upon all sorts of charts that are put together by academic people who take selective facts and studies, and you can try to deny there's a problem, but if you talk to anybody who's in touch with it, the problem is real. I know Larry Jones is very ar-

ticulate about it. I see him on TV about it, he has very moving pictures he paints about it. And if you talk to those of us who work with people on the frontlines of hunger—we have a campaign to end childhood hunger which involves hundreds of organizations across the country—and you yourselves, when you get out for field hearings, you talk to real people, you know that the picture painted by Mr. Rector is very far from being accurate.

The bottom line is that these people do need some help, and while we do think there need to be reforms of the overall welfare system—and we want to join in that—and we do believe there needs to be moral renewal and there needs to be two-parent families and there needs to be more work effort, we do not believe that programs like food stamps work against that. We certainly believe that in the long run all those measures need to be taken—child support enforcement, jobs, training, education, you name it—and we would like to be part of that. But in the short run, people go hungry, and in the short run, kids don't learn so well, and in the short run, women's pregnancies don't go so well and children's heads don't get a sufficient circumference if mothers aren't well-fed, and that's what we're about here with the Leland bill.

As Chris Rebstock will indicate, the food banks and soup kitchens around the country are swamped with people who come and need assistance. Why do we ask them to suffer, in many cases, the indignity of having to travel long distances for limited foods or going without when we have programs in place that, if we adjusted the benefit structure, would deal with their needs?

My testimony gives you examples of people from across the country. We are a legal services center that hears from attorneys for the poor every day, examples of people who cannot make the system work for them. I urge you to look at the testimony and read the examples. There are hundreds, if not thousands, more that we could provide to indicate what is the reality of people's lives. People who own a 1991 Chevy pickup truck who lose their jobs, can't get food stamps for the few months they need to get by, and suffer great hardships while they try to get by until the next job comes around. People live in areas where there are high shelter costs, yet the food stamp program assumes that some of the money they actually spend on shelter is available for food.

All this is a reality, and I suggest that in distinction to what you heard about a lot of studies—and I've got countervailing studies that I think reflect a great weight of evidence on the issues that Mr. Rector addressed—I suggest you talk to the people who really are in touch with reality, in touch with people's real lives, and try to form judgments on that basis.

Let me also just say quickly as I wrap up that you're not alone if you act. Not only are there hundreds and thousands of groups around the country who are part of this campaign to end childhood hunger who support you, and they represent millions of people, but the public is in support of you. Many of you may be aware of a poll that the Kraft General Foods Company sponsored last year that indicated that the public viewed hunger as one of the most important issues we face in this country. They supported increased public policies, public action to deal with the hunger problem. They said they'd even pay \$100 more in taxes—two-thirds of the voters said

that—if the money was devoted to fighting hunger. And when it came to the food stamp program, once they were told that 80 percent of the benefits went to families with children, even the food stamp program, the oft-maligned food stamp program, had an 80 percent approval rating. Also, as the chairman mentioned before, you have testimony from a CEO of Hasbro Toys on behalf of 25 other CEO's, and so there are business leaders who believe that the hunger issue needs to be addressed in this country.

We urge you now to provide the leadership, to be adamant in seeking this legislation, not simply to pass it through and hope that something else happens. We need you to be absolutely committed, because the hungry people really cannot wait. We, and I included, can talk about it all the time, as I do, but it's very divorced from reality. For real people and real families struggling, this assistance is absolutely vital, and we urge you to move forward with a passion and get this done this year so that fewer children and fewer families in this country have to go without sufficient food resources.

Thank you.

[The prepared statement of Mr. Fersh appears at the conclusion of the hearing.]

Mr. STENHOLM. Reverend Jones.

#### **STATEMENT OF REVEREND LARRY JONES, PRESIDENT AND FOUNDER, FEED THE CHILDREN**

Reverend JONES. Thank you, Mr. Chairman, for inviting me to come here today. I'm president of Feed the Children, and I want you to know that we do feed hungry children. I think we're all here striving for a common goal so that no child goes to bed hungry. We've heard the figure thrown around today that one out of five children in America live in poverty, and I might add that one out of five children in America, I believe, are hungry and malnourished. I think it's important we also know that 60 percent of the children under the age of 6 who live with a single mother are poor.

Before I left Oklahoma City, I called the assistant commissioner of agriculture, and he shared with me that the TEFAP program in Oklahoma provided food to over 100,000 families last year. We oftentimes wonder, who and where are these people that continually need food assistance, and why do the numbers continue to inflate? Typically, Americans think that they are "those people, not us." I am constantly reminded of the disbelief among average Americans that hunger even exists in our country. A couple of months ago I was in our President's home State—Dumas, Arkansas, to be exact—and we interviewed many rural hardworking families who were trying but just could not make ends meet, many of them working two jobs. It may surprise some people, but you can work two jobs making minimum wage, and if you have three children, you still can't make it if your jobs don't provide benefits.

After the interview was televised, my staff was asked, "Where do you get these actors and actresses?" They were not actors and actresses, but they were real people with real everyday problems. Who are these people? Contrary to popular belief, the majority of poor children are not black. They are not on welfare. Also, they live in working families and they live in small towns, rural commu-

nities, and suburban America. In 1989, the parents of 3.5 million families with children worked, but they were still poor. They were underemployed.

A particular group that receives very little, if any, attention is the non-Hispanic whites. Their rate of poverty is growing faster than any other group, and the frightening news is that many Americans are not aware of their existence. Why are non-Hispanic white poverty numbers growing disproportionately? It is quick and easy to obtain media footage for interviews of the inner city poor, who are mostly black. The non-Hispanic whites are not concentrated in an urban area, but scattered throughout the hills of Arkansas and West Virginia, along the Appalachian Trail and the Mississippi Delta. Because it takes a lot more effort to reach these areas, the depth of their poverty level is nearly unknown; therefore, they receive very little food assistance, and their numbers are rapidly multiplying.

We are kidding ourselves if we think that the Government can solve this problem. The real problem today is job loss. I recall a commercial many years ago with three older women who were analyzing a hamburger. The comment was, "Where's the beef?" If those three women were here today, they would ask, "Where are the jobs?" While many economists today are painting a picture that depicts a recovering economy, the man on the street is asking, "Where are the jobs?" The Senate passed a \$4 billion unemployment benefit package, and the House is expected to approve it this week, therefore, the question remains, "Where are the jobs?" Only 12 weeks ago, the following corporations announced the following job cuts: Sears, 50,000 jobs; IBM, 25,000 jobs; Boeing, 20,000 jobs; United Technologies, 10,500 jobs; McDonnell-Douglas, 8,700 jobs; and Eastman-Kodak, 2,000 jobs. The incumbents of these announced job cuts are your typical hardworking Americans who prepared themselves to be a responsible American citizen. When their job ends soon, they, too, will be asking, "Where are the jobs?"

Although the answer to this question requires a long-term solution, there is a solution that provides temporary relief for the man on the street who is asking, "Where are the jobs?" like the family I met in Dumas, Arkansas, and that is the emergency food assistance program.

Dr. E.V. Hill of Los Angeles, a personal friend of former President Reagan's, recalled one of their meetings where the President stated that he wanted to see every person in America employed with a secure future ahead. Dr. Hill replied, "Good, Mr. President, but what are we going to do in the meantime?" That meeting was nearly a decade ago, Mr. Chairman. We are still living in the meantime. For those who don't believe that TEFAP is helping people, it's like the late Congressman Claude Pepper said: "If more politicians in this country were thinking about the next generation instead of the next election, it might be a better United States."

Seventy percent of the relief in this country is handled through nongovernmental organizations. Feed the Children has been helping to provide food for food pantries in all 48 lower States plus the District of Columbia. It is one thing to debate the hunger problem in this country, but when you stand in front of a family refrigerator and the mother is crying because it's empty, you don't want to de-

bate TEFAP. We were at one home where not only was the refrigerator empty, but in the course of 30 minutes, they came and turned off the electricity, the water, and the gas. While living in the meantime, millions of Americans' daily survival depends on programs like TEFAP.

Some people are slow to help lower-income families either because they do not fit their definition of a family, such as babies born out of wedlock, or the belief that the parents are just plain lazy. The reason for why these children are poor is important, but should not be a criteria in order for a child to receive food. Otherwise, these innocent children are being penalized for their parents' faults at the expense of a stronger, healthier American society in the future.

Each of us here today witnessed 17 children burn to death in Waco, Texas. We mourned and asked, why in the world didn't they let the children out? Today we can decide. Let's get the children out of hunger. Help sometimes comes a day late and a dollar short. For the Waco children, it was a day late. For one in five American children, help is a dollar short.

Fifteen years from now, I hope we do not have to ask why our young adults are not fully developed. Today's children are the poorest age group, two times as likely to be poor as elderly people. In fact, hungry children are two to three times more likely to suffer health problems than the elderly. Lack of nourishment today will breed less-developed adults tomorrow, who will be incapable of competing in a global market for jobs. The current decline of jobs will continue if we do not feed the children of today so that they can fully develop physically, emotionally, and mentally at the same level as today's children in Asia and Europe.

We cannot forget the Waco children. Let's decide today not to be a dollar short. We cannot afford to forget the children in the Mississippi Delta, in Appalachia, our inner city children, and the Native American children on reservations, or, for that matter, any child that goes to bed hungry in these United States of America.

In closing, may I just say this: I've heard a lot of things said about a lot of people today who have misused the program, but when we take food to the children, we've never had a child sell food or trade food. We've had a lot of children eat the food. Let us never forget hungry children will eat the food that's put in front of them.

Thank you, sir.

[The prepared statement of Reverend Jones appears at the conclusion of the hearing.]

Mr. STENHOLM. Mr. Rebstock.

**STATEMENT OF CHRIS REBSTOCK, DIRECTOR, NETWORK SERVICES, SECOND HARVEST NATIONAL FOOD BANK NETWORK**

Mr. REBSTOCK. Thank you, Mr. Chairman, Mr. Emerson. I'd like to take the opportunity to express my appreciation and that of my boss, Christine Vladimiroff, president of Second Harvest, whom I represent, for the opportunity to talk to you today about the Mickey Leland Childhood Hunger Relief Act. My name is Chris Rebstock, and I'm director of network services for Second Harvest, which is the national network of food banks.

To provide some context briefly, Second Harvest defines a food bank not as the local church or community pantry, but as a food warehouse. Our 185 member food banks are private, nonprofit organizations engaged in the solicitation, inspection, storage, and redistribution of every kind of food and grocery product produced in this country. A vast majority of the product is donated by the food industry, but other sources include food collected through food drives, products purchased with private and local government funds, Federal commodities obtained through TEFAP, and the soup kitchen/food bank commodities programs and the commodity supplemental foods program.

The majority of the food distributed by food banks is distributed not to individuals, but to other 501(c)(3) organizations engaged in the direct service of individuals, agencies such as soup kitchens, emergency pantries, day care centers, senior centers, rehab programs, shelters, the Red Cross in emergency disaster relief, and others. In 1992 our network distributed products to more than 47,000 such charitable agencies throughout the 50 States, the District of Columbia, and Puerto Rico.

I won't take the time to run through a history lesson on TEFAP. I'm sure you don't need to restudy the evolution of that program. But it is important to note a significant change that took place in the program as a result of the farm bill in 1990, when the program was retitled from the temporary emergency food assistance program to the emergency food assistance program. It was authorized through 1994, and then an increasing schedule of funding was designed to support and maintain the program. The major shift in the program was toward making funds available to purchase commodities to continue its operation rather than reliance upon bonus commodities. Clearly, the whole nature of the program was changed as a result of that action, and the focus was redirected from that of dealing with surplus inventories toward making it a program that was established to provide assistance to hungry people, which was a side benefit of its initial structure.

The total poundage distributed by the Second Harvest network in 1992 was more than 900 million pounds. Of this amount, more than 153 million pounds were Federal commodities from TEFAP and the soup kitchen/food bank commodities programs and from the commodity supplemental food program. The network distributed a projected 35 percent of all TEFAP product and soup kitchen/food bank commodities distributed in that fiscal year.

Given the enormity of the volunteer effort required to make the network function—that is, the boards of directors, the volunteer staff assistance, privately donated food, financial support, transportation, warehousing, technical assistance, et cetera—these figures are quite impressive. Yet, in spite of these figures, we continue to lack the resources to keep pace with the problem. Our members, and the 47,000 charities they represent, report a continually increasing need at the local level. In 1992, the average network food bank experienced roughly an 18-percent increase in demand for service.

It comes as no surprise, as I'm sure you've heard from others, that the most rapidly growing segment of the population at risk is the working poor. While we lack firm scientific stats at this point,

we're in the midst of a national study of the 47,000 agencies and some of their clients represented by the network to gather such statistics, and we'll have information to share by the end of the year as a result of that study.

We do know, on the basis of recent Government reports, that more than 1 in 10 Americans is receiving food stamps. The Food Research and Action Center's recent study and ongoing study of childhood hunger indicates that one in five American children is living at the poverty level or below. The fact that the food bank network is the port of last resort makes this information particularly disturbing. People do not tend to show up at soup kitchens or community food centers until they've exhausted all other resources, so when a family does seek assistance at one of these organizations and finds the shelves bare, they've got nowhere else to go. According to the U.S. Conference of Mayors, 21 percent of those seeking assistance at emergency feeding sites were either turned away due to a lack of resources or were provided inadequate assistance to meet their need.

At our national conference last summer, which is a gathering of representatives of our member food banks as well as the food industry, a panel of food industry representatives addressed the assembly on the subject of trends in the industry and the potential impact of those trends on donations of industry surpluses. The report was not a good one. More and more of the companies are moving toward operating philosophies based on zero defects or total quality management. There's no question that this is a movement that will benefit the consumer. Fewer errors mean lower prices. Tighter operating controls mean improved product quality. In this case, however, the consumer's benefit spells difficulty for those of us scrambling to generate more resources to assist those who can't afford to be the consumer.

Don't misunderstand me, we salute the industry for its efforts on behalf of our constituents, and we applaud their movement toward improving their service to the consumer. We just need to become more creative in searching out additional product resources from the industry and from other sources.

Supplies are not only dwindling from the private sector, however. The commodities available through TEFAP are disappearing as well. Although the quantities procured with the funds appropriated for purchase have been relatively stable over the last 3 years, the quantities available through bonus commodities have steadily decreased. In 1987 nearly 1 billion dollars' worth of bonus commodities were distributed. These included seven different products. In fiscal year 1993 only two commodities are available. Those are cornmeal and butter.

In some States food banks merge the TEFAP commodities into their regular inventories, enabling their member agencies to mix the commodities with other privately donated products. The result is a balanced package of food products for the most needy. Other States have been forced to reduce the frequency of mass distributions and have had to restrict the amount of product distributed to each household, regardless of the quantity guidelines provided by USDA.



The funds for storage and distribution of TEFAP and soup kitchen/food bank commodities were cut 10 percent, from \$50 million to \$45 million, for fiscal years 1992 and 1993. The thinking which led to the cut was that a reduction in products available for distribution equals a reduction in the need for funds to underwrite it. While seemingly logical, the thinking misses the point. The funds weren't sufficient in the first place. The average food bank spends between 12 and 13 cents to distribute 1 pound of food. This low cost is directly attributable to the creativity of food bankers and to the extensive volunteer support of the network, which exceeded 4 million hours in 1992.

It does mean, however, that the average food bank faces a large fundraising need every year in order to meet its \$656,000 budget. It is estimated that with the current level of support from the storage and distribution funds, food banks are losing an average of 2½ to 3 cents a pound. That translates to approximately \$3.5 million which must be raised by the food banks, or approximately \$12 million which must be raised by all TEFAP distributors just to keep the program operating.

It's important that TEFAP and the soup kitchen/food bank commodities programs be viewed for what they are: A part, albeit a very important part, of the total complement of Federal food assistance programs. Despite the tendency to pit one program against another, each must be evaluated on the basis of its target population and the need that it fills for that population. There is some overlap, that's true, but there is also evidence that TEFAP reaches a large segment of the hungry population which is untouched by food stamps, WIC, school breakfast and lunch programs, et cetera. This segment includes a significant number of people in rural areas of the country and a number of the working poor who just barely exceed the requirements of the needs tests for these other programs. Through the special distribution mechanisms established to facilitate the delivery of this program, the logistical obstacles of the established systems are supplemented.

Second Harvest would like to offer two recommendations to the committee to support TEFAP and other commodity distribution programs. First, and most obvious, Congress should pass the Mickey Leland Childhood Hunger Relief Act, which provides for full funding of the authorized amounts for TEFAP product purchases and for storage and distribution costs.

The second is that Congress should establish a committee comprised of representatives from State administrations and private, nonprofit entities engaged in commodity distribution—agencies like the American Commodity Distribution Association, Food Research and Action Center, Second Harvest, and others. The purpose of that committee would be to examine the potential savings of combining certain commodity programs which target the same populations. These would include TEFAP, soup kitchen/food bank commodities, and charitable institution programs. Such consolidation may decrease duplication and increase effectiveness and efficiency.

In closing, I want to thank the subcommittee for its interest in and concern for this pressing issue, and I want to thank it for its leadership in the whole issue of hunger over the years. What is

lacking are the resources; unfortunately, the need continues to grow.

Thank you.

[The prepared statement of Mr. Rebstock appears at the conclusion of the hearing.]

Mr. STENHOLM. Thank you, and thank all of you for your testimony today.

Mr. EMERSON.

Mr. EMERSON. I don't have any questions, Mr. Chairman.

Thank you all for your statements. You know, the door is always open to all of you, and I hope you'll talk with us as the matter moves forward in the committee. We have an opportunity—certainly, Rob and Bob are on the scene here, and we can visit with them almost any time.

Reverend Jones, it's good to see you, and, Mr. Rebstock, I'm a great admirer of the work that Second Harvest does. Don't be bashful in your communications with us.

Mr. REBSTOCK. Thank you.

Mr. STENHOLM. One quick question. Reverend Jones, you were talking about the jobs. Mr. Roberts earlier raised an interesting question on how little money is spent on employment and training in the food stamp program. Has anyone got a response to that?

Mr. Greenstein.

Mr. GREENSTEIN. Mr. Chairman, if the food stamp employment and training program were an effective program that improved employment and earnings, then I would agree with the notion that we should increase the resources for it. But just in the way Mr. Emerson said at the conclusion of the previous panel, we have to take hard looks at what works and what doesn't. The Federal Government spent a fair amount of money doing a very careful evaluation of the impact of the food stamp employment and training program. The study came out a year or two ago, and looked at the effect on increasing employment and increasing earnings. The study basically found that it had no effect.

I believe that pouring more money into the program at the present time would be a little bit like putting more money into a raffle. This is not a question of liberal or conservative ideology. Whether it's a program with the best intentions for poor people, whether it's a defense program, whether it's an employment and training program, if it doesn't work, then I think we've got to improve it before we put a lot of additional money into it.

Now, I can tell you a little bit about why I think it may not be working. We have a very large population that's subject to the food stamp work requirements. Food stamp employment and training program devotes a very small amount of resources per participant, and the research basically is showing in the employment and training area that unless one spends a much larger amount, or invests a much larger amount per person, you don't get a result. Even if you do, if it's not a well-run program, you may not get a result. One could double the amount of money in the food stamp employment and training program, and the amount per participant would still be very low.

There's a second issue. The second issue is that most people who are food stamp work recipients are not long termers. Mr. Rector

said one-half the people on AFDC are going to be on welfare for 8 years. They aren't in food stamp employment and training. They're in AFDC employment and training. The people who are in food stamp employment and training, many of them are short termers who are on for 4, 5, or 6 months, and they often get jobs just as well on their own as they do if they do the employment and training program.

So what's the answer? Mr. Emerson, you're on the right track in the sense that I don't believe that we're going to fix the employment and training program in food stamps by itself. We have to look at all the employment and training programs—welfare employment and training, the JTPA training program—and we've got to improve the system in a way that channels food stamp people in it and helps them. But I really believe that if we just put \$20 million or \$100 million more into the current food stamp employment and training program, you're not going to get anything much for your money.

Mr. FERSH. Mr. Stenholm, if I could just add one quick comment, I want to agree with Bob. Of all food stamp recipients entering the program, one-half leave the program within 6 months, two-thirds within 1 year. So it's a different population than the AFDC program.

I'd also just raise a caution. I don't know what Mr. Roberts has in mind, although I think it's better dealt with in the context of welfare reform, but I would hope there would be nothing offered that would substantially diminish the money now targeted to provide essential benefits so people can eat. It's a difficult tradeoff. All of us want to see employment and training get better, but we would be concerned and would love to be in a dialog with him and anyone else working on this to make sure there's not some transfer away from this very well-targeted, very well-designed bill that has benefits going to the appropriate people.

Mr. GREENSTEIN. If I could add just two sentences more, the administration has talked about national service and apprenticeship. One of the important issues if the Congress chooses to move forward with those is to make sure they're not designed in a way that they are only for people who have certain levels of skills but also for people who are on food stamps and AFDC whom we want to become self-sufficient. That may entail using some of the apprenticeship or youth service money to set up feeder programs that bring those people's skills up to the level necessary to feed them into the apprenticeship program.

What I fear we're going to do is have better-funded well-designed apprenticeship programs for people who have already completed high school and poorly designed food stamp employment and training and AFDC employment programs that don't do as much. That's why we've got to fix the whole system together and design it in a way that serves these kinds of people as well as others.

Mr. EMERSON. Mr. Chairman.

Mr. STENHOLM. Mr. Emerson.

Mr. EMERSON. May I just interrupt to concur in what Mr. Greenstein is saying. I think the E&T programs as presently constructed are rather cosmetic, and he's right, it needs to be addressed in the subject of comprehensive welfare reform. It's like so many things.

We think we fix things by changing the perception, and it's nice to say we have welfare, but what kind of results is it really getting? We need to deal, I think, as we look to the future, far less with fixing the perceptions and more fixing the reality.

Reverend JONES. I'd like to ask, because I got involved last year in JTPA, has anybody here worked with that program directly?

Mr. GREENSTEIN. There are people in our office who have. I personally have not.

Reverend JONES. I hear one side, which I call theory, then I hear the realistic side, and I think what Representative Emerson just said is true. We employed 11 JTPA participants last summer, and they looked at it as a temporary job. To the participants, it was not job training. They looked at it as a summertime job. Then when the JTPA office still had program money left over in Oklahoma City, they called and asked, "Would you take some JTPA participants for September and October?" and we said yes.

I think if it's going to be a job training program, then it needs to include a longer work period. The participants need to view it as a program they're going to complete rather than, "Get these kids off the street" or "earn a little spending money," it needs to be job training. I agree 100 percent with Representative Emerson. It's got to be job training, or you're just putting a Band-Aid on the real problem. That's all we're doing. It needs to be job training.

Mr. STENHOLM. I had an interesting visit from an unemployment personnel person when I was home in my district over the Easter break that confirms everything that you have said and adds to it concerning your suggestion that we deal with that in the reform process, but start with those who are responsible for job training under current programs. There's a lot of frustration out there right now with the system. Part of it is the fault of the Congress. Fortunately, not this committee in the area I heard about back home, but we have not been as diligent in oversight and making certain that the programs we create and the money that we appropriate are going to do the things that they're supposed to.

You mentioned JTPA. That is a valid criticism. At least, you're not the only one that has been telling me that. People who are working within it are frustrated. That's why I asked the question, Mr. Greenstein, and I concur with your answer.

The final point I would make, Mr. Rebstock, is that I like your suggestion No. 4. We're going to try to build on that within this subcommittee, getting some kind of a—I hate to use the word "temporary" emergency task force, but that's the one that popped into my mind right now, to take a look, as we get into the reform part of this down the line, at using your resources on some kind of a fairly permanent basis, at least for advice and consent to this committee. That's something that I'm very interested in. Certainly, in my own case, I've got a lot to learn regarding the issues that we're talking about today, which I'm more than ready to do.

We thank you for your testimony today. We appreciate your indulgence of the lateness of the hour, but this was one of those days. And I apologize for not being here all day myself. We do relatively little for 3 months, and then all of a sudden everything happens at once, it seems, around here. But thank you for your patience, for

your attendance today, and, more than that, for what you do out there.

Reverend Jones, you said it very, very well. As we look at reform, as we look at everyone, we mustn't forget the children, and that's something that I have gotten very interested in as I watch the amount of money that we spend on the grandmothers and grandfathers versus the children. We've got some things out of balance. I know as I talk to the grandmothers and grandfathers, they're just as concerned about those grandchildren as you and I are, and somehow we're missing that link right now. But hopefully we'll find that link in some of our activities.

Reverend JONES. Just remember that I've never had a child complain because I fed it. That encourages me.

Mr. STENHOLM. Thank you.

Thank you all very much. This hearing is adjourned.

[Whereupon, at 6:35 p.m., the subcommittee adjourned, to reconvene, subject to the call of the Chair.]

[Material submitted for inclusion in the record follows:]

COMMITTEE ON AGRICULTURE  
SUBCOMMITTEE ON DEPARTMENT OPERATIONS AND NUTRITION  
TESTIMONY ON H.R. 1195  
CONGRESSWOMAN JILL LONG  
APRIL 28, 1993

Mr. Chairman, I appreciate the opportunity to testify today during hearings on the Mickey Leland Childhood Hunger Relief Act. As you know, I was a member of the Select Committee on Hunger and have been very supportive of efforts to draw attention to the hunger needs of those in our nation. One of the most important programs for combatting hunger in our country is the Food Stamps program. In an effort to improve the administration of this program, I have introduced the Food Stamps Quality Control System Amendments of 1993. This legislation currently has 48 cosponsors, nine of which are members of the Agriculture Committee.

The Food Stamps Quality Control system is designed to measure a state's performance in determining eligibility for Food Stamp benefits. As many of my colleagues are aware, this system has sometimes been the subject of contentious debate. Congress took some steps to reform the QC system in the Hunger Prevention Act of 1988. Two years later, in the 1990 Farm Bill, Congress eliminated Food Stamp error rate sanctions for Fiscal Years 1983-85. And, earlier this year, 24 states and the District of Columbia came to an agreement on over \$300 million dollars in error rate penalties due under this system for Fiscal Years 1986 through 1991.

No one is saying that there should not be a system of quality control or that states with high error rates should not be making great efforts to improve the accuracy of their programs. However, as is evidenced by the Congress' willingness to waive sanctions, and the Food and Nutrition Service's agreement to settle for 15 cents on the dollar in reinvestment, the validity and integrity of the QC system has to be brought into question. In addition, a 1987 National Academy of Sciences study on the Food Stamps QC system questioned the statistical validity of the system.

Improvements were made to the AFDC Quality Control program in 1988. H.R. 1195 reforms much of the Food Stamps QC program to be similar to the AFDC QC program. The objective of this legislation is to ensure that the QC system sets reasonable targets and establishes a reliable and fair system for measuring state performance. Such reforms should also improve the contentious relationship between the states and the Food and Nutrition Services that has been perpetuated under the current system.

While H.R. 1195 is technical and, therefore, some may be reluctant to address this issue, the problems for the states under the current system are quite burdensome and are not going to go away. If the integrity of the Food Stamps QC program is not improved this year, the issue will continue to be raised in the future. Particularly at a time when legislation that increases funding for the Food Stamps program is being considered I believe it is appropriate to implement a review system that is fair, reasonable, and accurate. I hope that H.R. 1195 can be included in the Mickey Leland Hunger Act. In this regard, I would like to submit for the record a copy of a letter signed by 37 Members requesting that H.R. 1195 be included in Mickey Leland.

(Attachment follows:)

JILL LONG, M.C.  
6TH DISTRICT INDIANA

AGRICULTURE COMMITTEE  
VETERANS' AFFAIRS COMMITTEE  
SELECT COMMITTEE  
ON HUNGER

**Congress of the United States**  
**House of Representatives**  
**Washington, D.C. 20515**

April 23, 1993

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The Honorable E. (Kika) de la Garza  
Chairman  
Committee on Agriculture  
1300 Longworth HOB  
Washington, D.C. 20515

Dear Chairman de la Garza:

As the Subcommittee on Department Operations and Nutrition considers legislation to reform the Food Stamp program, we urge the inclusion of the Food Stamps Quality Control System Amendments of 1993, H.R. 1195, as part of the package.

As you know, the Quality Control (QC) program is designed to measure a state's performance in determining eligibility for Food Stamp benefits. Unfortunately, the current system is based on unreliable measures of state performance, is the source of unnecessary conflicts between the Food and Nutrition Service (FNS) and the states, and has resulted in excessive error rate penalties.

While Congress took some steps to reform the QC system when the Hunger Prevention Act of 1988 was enacted, and further steps when it eliminated Food Stamp error rate sanctions for Fiscal Years 1983-85 in the 1990 Farm Bill, additional reforms are needed. H.R. 1195 completes the process of reform by setting reasonable targets and establishing a reliable and fair system for measuring state performance.

We support the inclusion of the quality control system amendments as part of any appropriate legislation moving through your Subcommittee in an effort to improve the states' ability to deliver Food Stamp benefits to their low-income populations. The recent unprecedented caseload growth in the Food Stamp program further establishes the need for a reasonable and accurate QC system. A streamlined, equitable, and statistically valid system should enable states and FNS to surpass the current contentious relationship and achieve a cooperative effort resulting in more effective and efficient administration of the Food Stamp program.

We look forward to working with you on this important issue.

Sincerely,

<u>Jill Long</u>	<u>Sten Gundersen</u>
<u>John E. Hill</u>	<u>John Becker</u>
<u>George E. Brud.</u>	<u>Sanford W. Bishop, Jr</u>
<u>John T. Doolittle</u>	<u>Tom Barlow</u>
<u>Larry H. Ackerman</u>	<u>Jim (7-04)</u>
<u>Leslie Kynn</u>	<u>Dave Holson</u>
<u>Carly B. Maly</u>	<u>Tom Sawyer</u>
<u>Jim Wahl</u>	<u>Sten Schiff</u>



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John M. Spratt Jr.

John Nune

Louise Slaughter

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THE UNITED STATES CONFERENCE OF MAYORS

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STATEMENT BY

THE HONORABLE PATRICIA TICER  
MAYOR OF ALEXANDRIA

BEFORE THE

SUBCOMMITTEE ON DEPARTMENT OPERATIONS AND NUTRITION  
COMMITTEE ON AGRICULTURE  
U.S. HOUSE OF REPRESENTATIVES

APRIL 28, 1993

MR. STENHOLM, MEMBERS OF THE SUBCOMMITTEE, I AM PATRICIA TIGER, MAYOR OF ALEXANDRIA AND A MEMBER OF THE TASK FORCE ON HUNGER AND HOMELESSNESS OF THE U.S. CONFERENCE OF MAYORS. I AM ESPECIALLY PLEASED TO APPEAR BEFORE YOU AT THIS HEARING BECAUSE I BELIEVE THAT THIS CAN FINALLY BE THE YEAR IN WHICH THE MICKEY LELAND CHILDHOOD HUNGER RELIEF ACT BECOMES LAW, AND I WANT TO IMPRESS UPON YOU THE COMMITMENT WHICH THE NATION'S MAYORS HAVE TO MAKING SURE THAT THIS OCCURS.

IT WAS MORE THAN 10 YEARS AGO THAT WE BEGAN SEEING THE PROBLEMS OF HUNGER GROWING IN OUR CITIES. IT BEGAN WITH THE LONG LINES OF PEOPLE WAITING FOR SURPLUS CHEESE AND THE PROLIFERATION OF SOUP KITCHENS AND FOOD PANTRIES. EVER SINCE THEN THE CONFERENCE HAS BEEN TRACKING THE PROBLEMS OF HUNGER IN OUR CITIES ON AN ANNUAL BASIS. REQUESTS FOR EMERGENCY FOOD HAVE INCREASED EACH YEAR BETWEEN 1985 AND 1992 IN THE CITIES WE SURVEY BY AT LEAST 18 PERCENT AND BY AS MUCH AS 28 PERCENT.

LET ME PROVIDE YOU NOW WITH SOME OF THE DETAILS OF OUR MOST RECENT SURVEY -- WHICH EXAMINED THE STATUS OF HUNGER IN 29 CITIES IN 1992. FOR THOSE CITIES WE FOUND THAT:

- o REQUESTS FOR EMERGENCY FOOD ASSISTANCE INCREASED BY AN AVERAGE OF 18 PERCENT.
  
- o REQUESTS BY FAMILIES WITH CHILDREN INCREASED BY 14 PERCENT, AND JUST OVER TWO OUT OF EVERY THREE PEOPLE REQUESTING EMERGENCY FOOD ARE MEMBERS OF FAMILIES -- CHILDREN AND THEIR PARENTS.
  
- o ON AVERAGE, 21 PERCENT OF THE REQUESTS FOR EMERGENCY FOOD ASSISTANCE ARE ESTIMATED TO HAVE GONE UNMET. IN MORE THAN TWO OUT OF THREE OF THE CITIES EMERGENCY FOOD ASSISTANCE FACILITIES MAY HAVE TO TURN AWAY PEOPLE IN NEED BECAUSE OF LACK OF RESOURCES.
  
- o THE OVERALL LEVEL OF RESOURCES AVAILABLE TO EMERGENCY FOOD ASSISTANCE FACILITIES INCREASED BY SIX PERCENT. FORTY-SIX PERCENT OF THE CITIES REPORTED THAT EMERGENCY FOOD ASSISTANCE FACILITIES ARE UNABLE TO PROVIDE ADEQUATE QUANTITIES OF FOOD; 70 PERCENT SAID THAT THE FOOD PROVIDED IS NUTRITIONALLY BALANCED.
  
- o IN 82 PERCENT OF THE CITIES EMERGENCY FOOD ASSISTANCE FACILITIES WERE RELIED ON BY FAMILIES AND INDIVIDUALS BOTH IN EMERGENCIES AND AS A STEADY SOURCE OF FOOD OVER LONG PERIODS OF TIME.

- o UNEMPLOYMENT AND OTHER EMPLOYMENT-RELATED PROBLEMS LEAD THE LIST OF CAUSES OF HUNGER. OTHER CAUSES FREQUENTLY IDENTIFIED BY THE CITY OFFICIALS INCLUDE INADEQUATE PUBLIC ASSISTANCE BENEFIT LEVELS, HOUSING COSTS, THE HIGH COST OF LIVING AND THE ECONOMY.
  
- o NEARLY NINE OUT OF 10 OF THE CITIES EXPECT REQUESTS FOR EMERGENCY FOOD TO INCREASE THIS YEAR.
  
- o IMPROVING THE ECONOMY AND CREATING JOBS WERE IDENTIFIED MOST FREQUENTLY AS THE MOST IMPORTANT THING THE FEDERAL GOVERNMENT COULD DO TO ELIMINATE HUNGER. IMPROVEMENTS IN AND INCREASED FUNDING FOR THE FOOD STAMP PROGRAM AND INCREASED FUNDING FOR WIC WERE ALSO CITED.

CLEARLY, HUNGER REMAINS A SERIOUS AND GROWING PROBLEM IN AMERICA -- ONE WHICH WE HAVE THE ABILITY TO SOLVE. WE JUST HAVE NOT DEMONSTRATED THE WILL. WE CAN BEGIN TO DEMONSTRATE THAT WILL BY PASSING THE MICKEY LELAND ACT. WE UNDERSTAND THAT THIS SUBCOMMITTEE WILL BE MARKING IT UP WITHIN A FEW WEEKS, AND WE APPLAUD YOUR RESOLVE. THE LELAND ACT TAKES INTO ACCOUNT SOME OF THE ROOT CAUSES OF HUNGER IN THIS COUNTRY INADEQUATE INCOMES AND HIGH SHELTER COSTS. IT ALSO INCREASES THE BASIC BENEFIT LEVELS:

- o IT WOULD ALLOW FAMILIES TO DEDUCT HIGH SHELTER COSTS IN THE SAME WAY THAT ELDERLY AND DISABLED HOUSEHOLDS DO AT PRESENT.
  
- o IT WOULD ALLOW RELATIVES TO BE TREATED AS SEPARATE FOOD STAMP HOUSEHOLDS IF THEY BUY AND COOK FOOD SEPARATELY.
  
- o IT WOULD PREVENT THE FIRST \$50 A MONTH PAID FOR CHILD SUPPORT FROM BEING COUNTED AS INCOME IN DETERMINING FOOD STAMP BENEFITS.
  
- o IT WOULD EXCLUDE FROM LOW-INCOME HOUSEHOLDS' INCOME ANY LEGALLY OBLIGATED CHILD SUPPORT PAYMENTS HOUSEHOLD MEMBERS MAKE TO PEOPLE OUTSIDE THEIR HOUSEHOLD.
  
- o IT WOULD INDEX THE CURRENT \$4,500 LIMIT ON THE FAIR MARKET VALUE OF VEHICLES THAT FOOD STAMP RECIPIENTS MAY OWN.
  
- o FINALLY, IT WOULD RAISE FOOD STAMP BENEFITS TO A LEVEL MORE CLOSELY REFLECTING THE ACTUAL CURRENT COST OF BUYING FOOD.

HALF OF ALL FOOD STAMP RECIPIENTS ARE CHILDREN. NINETY-TWO PERCENT OF ALL FOOD STAMP HOUSEHOLDS HAVE GROSS INCOMES EQUAL TO

OR LESS THAN THE POVERTY LEVEL. THEY NEED MORE HELP, AND THE MICKEY  
LELAND ACT CAN PROVIDE IT TO THEM.

BE ASSURED THAT THE U.S. CONFERENCE OF MAYORS STANDS READY TO  
WORK WITH YOU TO MAKE SURE THAT THIS CRITICALLY NEEDED PIECE OF  
LEGISLATION IS ENACTED INTO LAW.



TESTIMONY OF ALAN MEYERS, MD, MPH  
ASSISTANT PROFESSOR OF PEDIATRICS  
BOSTON UNIVERSITY SCHOOL OF MEDICINE/BOSTON CITY HOSPITAL  
before the  
HOUSE AGRICULTURE SUBCOMMITTEE  
ON DEPARTMENT OPERATIONS AND NUTRITION

April 28, 1993

Congressman Stenholm and distinguished colleagues: My name is Alan Meyers. I am a faculty member of the Boston University School of Medicine and a practicing general pediatrician at Boston City Hospital. I spend roughly half my time seeing patients, children and their families almost all of whom have low incomes. I have cared for a number of undernourished children as a member of the Failure to Thrive team at our hospital. I devote the rest of my time to teaching and to research, most of which involves varied aspects of public health nutrition in children. I greatly appreciate the opportunity the Committee has granted me to share with you some of our knowledge regarding the effects of hunger and undernutrition on the children of the United States. Some of what I would like to discuss today is discussed in a report being released today by the National Health Education Consortium, entitled *Eat to Learn, Learn to Eat: The Link Between Nutrition and Learning in Children*. The consortium is being represented today by Judy Ressallat, Washington liason for the National Association of School Nurses. My colleague Dr. Barbara Boardman and I assisted in preparing this report, which I believe provides an important context in which to view the significance of the Mickey Leland Childhood Hunger Relief Act.

Although they are intimately related, the terms hunger and undernutrition should not be used interchangeably, and their prevalence and effects should be considered separately. Hunger refers to a physiologic state which is immediately reversible by eating, while undernutrition connotes a pathological state caused by a chronic lack of sufficient absorbed nutrients to meet the body's needs for optimal growth, repair, and function. Undernutrition develops over prolonged periods of time and generally requires sustained rehabilitation, which may not always restore the individual to optimal health and function.

Hunger, even in the well-nourished child, can adversely affect the child's cognitive performance. Studies by Dr. Ernesto Pollitt and others, utilizing controlled experimental settings, have shown that children who miss a meal and are in the fasting state perform more poorly on school-related tasks than they do after they have eaten.<sup>1-4</sup> Our own research in Massachusetts suggests that low-income children who participated in the School Breakfast Program performed better on standardized achievement tests than before the Program was available.<sup>5</sup>

Of course, hunger is a natural state experienced by everyone, by which the body signals its need for food. The hunger with which we are concerned is that which is recurrent and cannot be satisfied due to inadequate household resources. The hungry child may be listless, irritable, unable to concentrate, and easily frustrated. The prevalence of such hunger is difficult to measure, but as the Committee is surely aware, an

instrument has been developed and applied around the country by the Community Childhood Hunger Identification Project (CCHIP). A CCHIP survey conducted in Massachusetts in 1991 found that 43% of families who were receiving Food Stamps were experiencing hunger.<sup>6</sup> These results are not surprising to health care providers working with poor families, who regularly report that their monthly Food Stamp allotment runs out by the third week. Furthermore, economic analyses have shown that, even with maximal participation in food assistance programs, Food Stamps, the Special Supplemental Food Program for Women, Infants, and Children (WIC), and school meals cover only one-third to two-thirds of food costs for poor families in Boston,<sup>7</sup> and many families do not receive maximal benefits.

CCHIP data reflect a condition - hunger - which, if persistent, may lead to pathological states of undernutrition of varying degrees. As such, these data might be viewed as an early warning, since by the time measurable signs of undernutrition appear, the child has been inadequately nourished for a prolonged period. The National Center for Health Statistics has adopted some of the CCHIP questions on its Third Health and Nutrition Examination Survey (NHANES III).

Undernutrition also impacts on the learning ability of the affected children. A large body of scientific literature documents the adverse effect of severe, acute undernutrition on the developing brain of the young child. This damage can be seen in reduced brain growth, altered microscopic brain anatomy, and

reduced intelligence scores in later life. While nutritional and environmental rehabilitation can restore much of the child's potential, there is probably some degree of permanent loss even with optimal rehabilitation.<sup>8-14</sup>

We do see some children with moderate-to-severe acute undernutrition. Fortunately, although we do not have reliable data on the prevalence of this condition, this is not the face of undernutrition which confronts us as a public health problem in the United States. Rather, it might be considered the tip of an iceberg, the largest portion of which is mild-to-moderate undernutrition among low-income children, manifested primarily as poor growth rates and iron deficiency. The growth of young children is the single best measure of the nutritional status of a community,<sup>15</sup> and those who do not take in enough nutrients to support optimal growth will not achieve their full genetic potential for height. In several studies, this short stature, a measure of poor growth, has been associated with poorer performance on tests of cognitive function,<sup>16-20</sup> although a cause-and-effect relationship is extremely difficult to prove in humans.

It should concern us all that an excess of short stature among low-income children has been demonstrated in every national nutrition survey yet undertaken, and continues to be demonstrated by the Pediatric Nutrition Surveillance System of the Centers for Disease Control and Prevention.<sup>21</sup> The cause of this poor growth is most likely a higher prevalence of inadequate intake of food energy among low-income children. Dietary intake data from the

U.S. Department of Agriculture support this interpretation.<sup>22</sup>

Also of concern is the vitamin-mineral nutritional status of low-income children, especially with regard to iron. Iron deficiency, with or without anemia, affects development and cognitive function at all ages throughout childhood. Iron-deficient infants have lower developmental scores than do comparable iron-replete infants; iron-deficient school children have lower achievement test scores than comparable iron-replete children.<sup>23-25</sup> Of great concern, some recent studies have suggested that these cognitive deficits may not be completely reversible with iron therapy.<sup>26,27</sup> Data from the second National Health and Nutrition Examination Survey (NHANES II) show that low-income young children have a three-to-fourfold higher prevalence of iron deficiency.<sup>28</sup> CDC data show an ongoing prevalence of anemia of 20-30% among low-income young children.<sup>21</sup> This is consistent with data we have collected in our Primary Care Clinic at Boston City Hospital. It should be noted that iron deficiency is technically easier to measure, and is therefore better studied, than deficiencies of most other micronutrients. Thus, other types of vitamin and mineral deficiencies may also be prevalent among low-income children. The best defense against such deficiencies is a well-balanced diet with sufficient calories for optimal growth.

Mr. Chairman, in view of these facts, and others which have been detailed in the National Health Education Consortium report, the legislation currently being considered by this Subcommittee

is surely one of the most important with regard to the nutritional status of the most vulnerable segment of the child population of the United States. In testimony before the Select Committee on Hunger in 1985, the late Dr. Jean Mayer, a nutritionist of international stature, stated that the Food Stamp Program "has to be considered as the first line of defense against malnutrition of children... the Food Stamp Program, 50 percent of the recipients of which are children, feeds them day in and day out." While we do not entirely understand why some children living in poverty become undernourished while others do not, I have no doubt that great numbers of poor families are forced to live constantly on the edge of hunger by the unremitting economic pressures of supporting a family with inadequate income. In our research at Boston City Hospital, along with Dr. Deborah Frank and other colleagues, we have found that more low-income children are underweight in the cold winter months than during the rest of the year, which may well be due to their parents having to make the choice "to heat rather than to eat."<sup>29</sup> These data recall studies of Dr. Robert Karp and colleagues, who showed that the sharp increase in food costs between 1972 and 1975 was associated with an increased prevalence of iron-deficiency anemia among low-income early school-age children in Philadelphia as family food purchases shifted away from the more expensive iron-rich foods.<sup>30</sup> In separate studies at Boston City Hospital, we have found that poor children whose families are on the waiting list for subsidized housing are more

likely to be iron deficient<sup>31</sup> and to have poor growth<sup>32</sup> than are comparable children whose families do receive housing subsidies. This should not be surprising, given that in 1992, the maximum AFDC grant provided to a family of three with no other income in metropolitan Boston was \$539/month, while HUD-determined fair-market rent for a two-bedroom apartment in this area was \$855; in 1986, 63% of Boston AFDC recipients spent over 75% of their grant on rent.<sup>33</sup> It is of particular importance, therefore, that the legislation being considered by your Subcommittee removes the cap on the deduction of high shelter costs from the income level which determines Food Stamp Program eligibility and benefits.

In summary, then, a large number of low-income children in the United States are hungry and many suffer some degree of undernutrition, which is of sufficient degree to affect their ability to develop and learn to their fullest potential. The finances of many families are so marginal that the additional stress of a cold winter, a rent increase, or rising food costs may tip them into dietary inadequacy. For low-income children in the United States, the Food Stamp Program represents their major defense against hunger and undernutrition. However, at current eligibility and benefit levels the Program cannot meet the nutritional needs of the low-income family; to the extent that its provisions will be made more ample, we should expect a corresponding improvement in the nutritional status of some of our most vulnerable citizens, poor children, and a decrease in the number of children who suffer from hunger, undernutrition,

and associated learning problems. I thank you for this opportunity to testify.



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(Attachment follows:)

**Eat to Learn, Learn to Eat:  
The Link Between Nutrition and  
Learning in Children**

*National Health/Education Consortium\*  
Occasional Paper #7*

by

Karen B. Troccoli  
*National Commission to Prevent Infant Mortality*

This occasional paper series is supported by the **Prudential Foundation**. Additional support for *Eat to Learn, Learn to Eat: The Link Between Nutrition and Learning in Children* was provided by the **American School Food Service Association**.

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## Executive Summary

The quality of nutrition in childhood — and even before birth — affects children's ability to learn and function in later life. With that in mind, it is particularly alarming that hunger and poor nutrition are on the rise in the United States. Whatever the exact cause of these trends among children, the consequences can be serious.

Studies have demonstrated a link between poor nutrition and learning in children, leading researchers to report that well-fed children learn better than poorly fed children. Furthermore, studies indicate that children's eating habits and attitudes about food develop early and last a lifetime.

Many public and private programs are in place that address children's nutrition and nutrition education. Examples of public initiatives include the National School Lunch Program, the School Breakfast Program, the Food Stamp Program, the Special Supplemental Food Program for Women, Infants and Children (WIC), the Child and Adult Care Food Program, the Summer Food Service Program for Children and the Nutrition Education and Training (NET) Program. Several have demonstrated significant, positive effects on the nutritional status of children and their ability to learn in school. However, under-funding, red tape and misconceptions about these programs have limited their reach and potential.

In order to ensure that the nation's children grow up healthy and ready to learn, it is imperative that steps be taken to build on the infrastructure of child nutrition programs. No single agency, organization, school administrator, health professional or parent can — or should — singlehandedly, accomplish this goal. Success depends on the ability of these diverse groups, all of whom share a stake in children as America's future, to collaborate, cooperate and combine resources and expertise. Action areas include:

- Increasing funding for and expanding child nutrition programs with proven effectiveness such as WIC, Food Stamps, National School Lunch, School Breakfast, Summer Food Service, Child and Adult Care Food and the NET programs.
- Reducing the red tape and administrative requirements for the School Breakfast and Lunch Programs and eventually implementing a Universal School Breakfast and Lunch Program.
- Expanding and enhancing child nutrition education initiatives.



- Promoting the interconnectedness of children's health and ability to learn in school so that policies and programs in these areas work with one another.
- Encouraging the development of innovative nutrition programs that involve children, families, educators, dietitians and others working at the community level.

It is our hope that this report will help raise awareness and spur movement in the area of children's nutrition. It is in all of our interests that the nation's youth have the opportunities and resources they need to eat to learn and learn to eat.

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## Introduction

Children of all socioeconomic levels are at-risk for poor nutrition. Some children do not get enough to eat each day because their families lack money to buy sufficient amounts of food. Other children consume enough (or too much) food, but have diets high in fat, sugar and sodium that put them at risk for becoming overweight or developing heart disease and other chronic illnesses. Furthermore, as the number of parents in the workforce increases, more and more children are being left to fend for themselves for meals and snacks.

Hunger<sup>\*</sup> and poor nutrition in America are on the rise (see box, page 2). One key reason is an increase in the number of families living in or near poverty. In 1990, more than 11 million children — 18 percent — lived in households with incomes below the poverty level (\$12,675 for a family of four in 1990) compared to 16 percent in 1980. This represents an increase of 14 percent over the decade, a rise that cuts across racial and ethnic groups.<sup>1</sup> Meanwhile, recent surveys by the U.S. Conference of Mayors and the Food Research and Action Center's (FRAC) Community Childhood Hunger Identification Project have identified an increasing incidence of hunger among children and families in the United States.

Whatever the exact cause of poor nutrition or hunger among children, the consequences can be serious. In addition to physical problems, studies have uncovered a link between nutrition and learning in children indicating that well-fed children learn better than poorly nourished children. Researchers also know that children's eating habits and attitudes about food develop early and can last a lifetime. In light of this information, anyone who cares about children's health or education should care about their nutritional status. In February 1990, President Bush and the Governors established National Education Goals. The first goal states that, by the year 2000, "all children in America will start school ready to learn." To achieve this ambitious objective, action is required on several fronts. Nutrition is one.

This report reviews some of what is known about the link between nutrition and learning in children and between nutrition education and eating habits. It describes several public and pri-

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\* Hunger has been defined as the "physiological and psychological state resulting from insufficient food intake to meet immediate energy needs." (Meyers, A., Sampson, A., Weitzman, M. "Nutrition and Academic Performance in School Children." *Clinics in Applied Nutrition*, 1(2), April 1991, p. 13).

vate initiatives underway to address children's nutritional status and examines their effectiveness and deficits. Finally, it offers action steps that government, school staff, health professionals and parents can take to ensure that children are well-educated about good nutrition and well-fed. There is no quick fix for poor nutrition among children in the United States. Nevertheless, progress can be made if this nation commits itself to providing children with the resources they need to eat to learn and learn to eat.

### How Big a Problem is Poor Nutrition in America?

- Each year, the U.S. Conference of Mayors conducts a survey on hunger and homelessness in more than two dozen cities across the country. The 1992 survey found that, during the previous year, overall requests for emergency food assistance increased by an average of 18 percent from 1991. The number of requests from families with children rose by 14 percent. However, a full 21 percent of the requests for emergency food assistance are estimated to have gone unmet.<sup>2</sup>
- A survey conducted by the Food Research and Action Center's (FRAC) Community Childhood Hunger Identification Project and released in 1991 found that 1 out of every 8 children under age 12 living in the United States is hungry. In addition, the survey found that approximately 6 million more children are at-risk of hunger because their families are experiencing food shortage problems. Taken together, approximately one out of every four children under age 12 in the United States lives in a family that has experienced at least one food shortage problem in the past twelve months.<sup>3</sup>
- Strong evidence exists that nutrition-related disorders and health conditions related to poor nutritional status are greater among low-income households than among the rest of the population. Lack of funds to buy sufficient amounts of food is the main reason for their poor nutritional status.<sup>4</sup> According to the U.S. Department of Health and Human Services' "Healthy Children 2000," growth retardation in preschool children may especially reflect the adequacy of a child's diet. Low-income children experience growth retardation at as much as three times the rate of their non-poor peers. They are also more likely to suffer from iron deficiency, which can adversely affect growth and development.
- According to one study on breakfast consumption patterns for 10 year-olds, a full 16 percent of all children skipped breakfast. They never compensated for it later in the day and, consequently, had lower daily nutrient intakes than those who did have breakfast.<sup>5</sup>
- Between 1984 and 1991 there was a 42 percent increase (from 24 percent to 34 percent) in the number of children ages 3 through 17 who were considered overweight.<sup>6</sup> Not only can being overweight cause children to have low self-esteem and related problems, but new research shows that being overweight during the teenage years can lead to life-threatening chronic diseases such as heart disease in adulthood, even if the youngster ultimately loses the excess weight.

WHY EXPANDING WELFARE WILL NOT HELP THE POOR

TESTIMONY BEFORE THE SUBCOMMITTEE  
ON DEPARTMENT OPERATIONS AND NUTRITION  
COMMITTEE ON AGRICULTURE  
U.S. HOUSE OF REPRESENTATIVES

APRIL 28, 1993

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**INTRODUCTION**

I wish to thank the sub-committee for inviting me to testify on H.R. 529, the "Mickey Leland Childhood Hunger Relief Act". H.R. 529 proposes the latest in an endless series of expansions of the welfare state. But the U.S. welfare system has failed. Both the public and decision makers increasingly recognize that the current welfare system has harmed rather than helped the poor. Welfare has undermined the American family and promoted long term dependency.

President Clinton has declared his intention to "end welfare as we currently know it". But far from ending welfare as we know it, this bill dramatically expands it. It is deeply distressing to those interested in serious welfare reform that despite his reform rhetoric, the President's proposed budget has little funding for implementing welfare reform while containing billions for expansions of old fashioned welfare programs.

H.R. 529 will not help poor American children. Poor children do not need more conventional welfare spending. We are now spending five times as much on means-tested welfare as when the War on Poverty began, after adjusting for inflation. If welfare spending were an answer to the problems of the poor in the inner city and elsewhere, we would have solved these problems long ago.

American children don't need more welfare spending. They need stable families and fathers. They need to be able to play in their neighborhoods without getting shot. They need a decent education which, despite massive spending, the public school monopoly is unable to provide. H.R. 529 will not solve any of these real problems; in fact it will make most of them worse.

#### OVERVIEW

Let me begin a few basic facts.

1) The level of welfare spending in the United States is enormous and growing rapidly. In 1990, the latest year for which complete data are available, welfare spending reached a record high of \$226 billion, or 4.1 percent of GNP. This figure excludes programs for the middle class like Social Security. Contrary to political claims, welfare spending increased during the 1980s after adjusting for inflation. Nor was the recent increase restricted to medical aid; in constant dollars, means-tested cash, food, and housing aid also increased more rapidly than the growth in the population.

2) Total welfare spending is more than sufficient to raise the incomes of all persons defined as poor by the Census above the poverty income levels. Part of the \$226 billion in welfare spending does go to persons in nursing homes and other institutions who are not included in the annual Census population and poverty

count. However, \$184 billion was spent on the general non-institutional population in 1990. This sum was roughly two and a half times the amount needed to eliminate poverty. Welfare cash, food, and housing aid alone were more than enough to eliminate poverty.

3) There is little poverty-induced malnutrition in the U.S.; the material living standards of poor Americans are far higher than is generally understood. Today the fifth of the population with the lowest incomes has a level of economic consumption higher than that of the median American family in 1960. There is little or no poverty-induced malnutrition in the U.S. Persons defined by the U.S. government as "poor" have almost the same average level of consumption of protein, vitamins, and other nutrients as persons in the upper middle class.<sup>1</sup> Children living in "poverty" today, far from being malnourished, are actually super-nourished by any conceivable historic or biological standard. Poor children today will actually grow up to be one inch taller and ten pounds heavier than the GI's who stormed the beaches of Normandy in World War II.<sup>2</sup> In reality, the principal nutrition-related problem facing poor persons in the U.S. today is not "hunger" but obesity; the poor have a higher rate of obesity than do members of other socioeconomic groups in the U.S. (For further information about poverty and malnutrition please refer to the accompanying article I have submitted to Committee, "Food Fight: How Hungry Are America's Children?")

Similarly, the claim that poor Americans are badly housed is untrue. Nearly all of America's poor live in decent housing that is well-maintained. In fact, "poor" Americans have more housing space and are less likely to be overcrowded than is the average citizen in Western Europe.<sup>3</sup>

4) The War on Poverty did not succeed. While there may be little material poverty, this does not mean that the War on Poverty was a success. The recent expansion of the welfare state has not really raised the incomes of less affluent Americans. Instead it has largely replaced work with dependence. And by undermining family structure, welfare has greatly contributed to the increase in single mothers who have difficulties supporting their families.

5) The real problem in low income communities is behavioral poverty not a shortage of welfare benefits. "Behavioral poverty" refers to a breakdown in the values and conduct that lead to the formation of healthy families, stable personalities, and promote self sufficiency. Behavioral poverty is a cluster of social pathologies including: dependency and eroded work ethic, lack of educational aspiration and achievement, inability or unwillingness to control one's children, increased single parenthood and illegitimacy, criminal activity, and drug and alcohol abuse. While there may be little material poverty in the United States, behavioral poverty is abundant and growing. For example, the black illegitimacy rate was around 25 percent when the War on Poverty



began; today two out of three black children are born out of wedlock. A similar increase is occurring among low income whites. Likewise, crime and dependency rates exploded as welfare spending increased.

6) The central dilemma of the welfare state is that nearly all of the cash, food, housing, and medical programs designed to alleviate material poverty have the harmful side effect of increasing behavioral poverty. Welfare fosters dependency and family disintegration. The erosion of the work ethic and family structure in turn demolishes the real life prospects of low income Americans, greatly contributing to crime, school failure, and other problems.

7) The Leland Hunger Relief Act will actually harm rather than help the poor. By expanding conventional welfare benefits the bill will make most social problems worse. H.R. 529 will cause an increase in: single parent families; welfare dependence; school failure; and crime.

8) We should reform welfare rather than expand benefits. What is needed is a dramatic overhaul of the welfare system with the aim of promoting work and marriage and discouraging single parenthood and dependence. A good place to begin welfare reform would be to establish firm work requirements for many non-elderly Food Stamp recipients; this would dramatically reduce dependency and save the taxpayers billions.

## THE GROWTH OF THE WELFARE STATE

Discussions of welfare are often distorted by talking about one or two government programs as if they existed in isolation. It is easier to call for expanding a given anti-poverty program if you ignore the existence of dozens of related programs aiding the poor. But the effects of welfare can only be understood by examining the welfare system in its entirety. In reality the federal government runs over 75 means-tested welfare programs. These programs provide cash, food, housing, energy aid, medical aid, training, and social services to poor and low income Americans.

In 1990 federal, state, and local governments together spent \$226 billion on assistance programs for low-income persons and communities. This figure includes only spending on programs for the poor and low income persons and excludes general entitlement programs such as Social Security and Medicare for the middle class. Adjusting for inflation, total welfare spending in 1990 was five times the level of welfare spending in the mid-1960s when the War on Poverty began. Total mean-tested welfare spending now equals about 4 percent of GNP, up from a little over 1 percent in the mid-sixties. As a percent of GNP welfare spending is now at roughly the same rate as existed in the Great Depression when a quarter of the labor force was unemployed.

Over 25 years have passed since President Lyndon Johnson launched his "Unconditional War on Poverty." Johnson declared that this war was to be a great "investment" which would return its cost to society manyfold. Total welfare spending since the onset of the War on Poverty has amounted to \$3.5 trillion in constant 1990 dollars -- more than the full cost of World War II after adjusting for inflation. From another perspective, the average American household has already paid around \$50,000 in taxes in fighting the War on Poverty. Before we expand welfare spending even more, as H.R 529 proposes, I think the taxpayers are justified in asking what return they have gotten on their current "investment."

#### UNDERSTANDING THE TWO TYPES OF POVERTY

Concern over the enormous cost of welfare is legitimate. But for the general public the problem with welfare is not merely its cost but rather the perception that welfare has harmed rather than helped the poor. In order to analyze this perception, it is important to begin with an understanding of two separate concepts of poverty: "material poverty" and "behavioral poverty". Material poverty means, in the simplest sense, having a family income below the official poverty income threshold, which was \$12,675 for a family of four in 1991. To the average man on the street, to say someone is poor implies that he is malnourished, poorly clothed, and lives in filthy, dilapidated and overcrowded housing. In reality there is little material poverty in the U.S. in the sense

generally understood by the public.<sup>4</sup>

"Behavioral poverty", by contrast, refers to a breakdown in the values and conduct which lead to the formation of healthy families, stable personalities and self-sufficiency. As noted, behavioral poverty incorporates a cluster of social pathologies including: eroded work ethic and dependency, lack of educational aspiration and achievement, inability or unwillingness to control one's children, increased single parenthood and illegitimacy, criminal activity, and drug and alcohol abuse. While material poverty may be rare in the United States, behavioral poverty is abundant and growing.

The present welfare system is designed almost exclusively to raise the material living standards of less affluent Americans. The key dilemma of the welfare state is that the prolific spending intended to alleviate material poverty has led to a dramatic increase in "behavioral poverty". The War on Poverty may have raised the material standard of living of some Americans, but at a cost of creating whole communities where traditional two parent families have vanished, work is rare or non-existent, and multiple generations have grown up dependent on government transfers.

The onset of the "War on Poverty" directly coincided with the disintegration of the low-income family -- and the black family in particular. At the outset of the Second World War, the black

illegitimate birth rate was slightly less than 19 percent. Between 1955 and 1965 it rose slowly, from 22 percent in 1955 to 28 percent in 1965. Beginning in the late 1960s, however, the relatively slow growth in black illegitimate births skyrocketed -- reaching 49 percent in 1975 and 65 percent in 1989. If current trends continue, the black illegitimate birth rate will reach 75 percent in ten years.<sup>5</sup> Similar increases are occurring among low income whites.

Dependence has also increased enormously. Currently, one child in eight in the United States receives aid from the Aid to Families with Dependent Children (AFDC) program. Some 22 percent of U.S. children born in the early 1970's received AFDC for at least one year before reaching their 15th birthday. For black children born in the early 1970's, 55 percent received AFDC for some portion of their childhood before reaching age 15.<sup>6</sup>

#### **HIGH WELFARE BENEFITS UNDERMINE FAMILY STRUCTURE**

The central feature of H.R. 529 is to increase the monthly value of Food Stamp benefits. But research indicates that higher welfare benefits lead to increases in out of wedlock births, single parenthood and dependence. Increases in single parent families and dependence in turn lead to increases in school failure and crime.

The National Longitudinal Survey of Youth (NLSY) provides the

best current data base for analyzing the effects of welfare on behavior. In 1979, the NLSY established a large sample of young women (aged 14 to 19) and then tracked the behavior of these women over the next decade. Using the NLSY data, Dr. June O'Neill of Baruch College in New York City, found the dollar value of monthly welfare benefits in a state has a dramatic affect on whether women will have children out of wedlock. Holding constant a wide range of other variables such as income, parental education, and urban and neighborhood setting, O'Neill found that a fifty percent increase in the monthly value of AFDC and Food Stamp benefits led to a 43 percent increase in the number of out of wedlock births over the study period. These findings on the effects of welfare benefits in increasing out of wedlock births closely match recent research by Shelley Lundberg and Robert D. Plotnick of the University of Washington.<sup>7</sup> Similarly, high benefits discourage single mothers from remarrying. Research by Dr. Robert Hutchens of Cornell University shows that a 10 percent increase in AFDC benefits in a state will cause a decrease in the marriage rate of all single mothers in the state by 8 percent.

The collapse of family structure in turn has crippling effects on the health, emotional stability, educational achievements and life prospects of low income children. Children raised in single parent families, when compared to those in intact families, are one third more likely to exhibit behavioral problems such as hyperactivity, antisocial behavior, and anxiety. In regard to more

extreme disorders, children deprived of a two parent home are two to three times more likely to need psychiatric care than those in two parent families.<sup>8</sup> And they are more likely to commit suicide as teenagers.

Because the father plays a key role in a child's cognitive development, children in single parent families score lower on IQ tests and other tests of aptitude and achievement.<sup>9</sup> Children in single parent families are three times as likely to fail and repeat a year in grade school than are children in two parent families. In all respects, the differences between children raised by single parents and those raised in intact homes are profound, and such differences persist even when single parent homes are compared to two parent homes of exactly the same income level and educational standing.<sup>10</sup>

Family disintegration is a major contributing factor in America's soaring crime problem. A father plays a vital role in disciplining a young man and building his moral character. Boys raised without fathers are much more likely to become involved in criminal activity. For example, holding family income, neighborhood, parental education, and other variables constant, young black men from single parent homes are twice as likely to commit crimes and end up in jail when compared to similar young men raised in low income families where the father is present.<sup>11</sup>

But the greatest tragedy is that family instability and its attendant problems are passed on to future generations. Children from single parent homes are far less likely to establish a stable married life when they in turn become adults. White women raised in single parent families are 164 percent more likely to bear children out of wedlock themselves; 111 percent more likely to have children as teenagers. If these women do marry, their marriages are 92 percent more likely to end in divorce than are the marriages of women raised in two parent families. Similar trends are found among black women.<sup>12</sup>

#### HIGHER WELFARE BENEFITS INCREASE DEPENDENCE

The O'Neill study also found that higher welfare benefits increased the number of women who left the labor force and enrolled in welfare. A 50 percent increase in monthly AFDC and Food Stamp benefit levels led to a 75 percent increase both in the number of women enrolling in AFDC and in the number of years spent on AFDC. In other words increases in benefits' value will cause dramatic expansion in welfare caseloads.<sup>13</sup>

These findings on the effect of higher welfare benefits in reducing work effort are confirmed by a series of controlled experiments conducted by Office of Economic Opportunity (OEO) in the mid-seventies. The longest running and most comprehensive of these experiments was conducted between 1971 and 1978 in Seattle



and Denver, and became known as the Seattle/Denver Income Maintenance Experiment, or "SIME/DIME." The SIME/DIME experiments found that increasing welfare benefits had a dramatic negative effect on labor force participation and earnings. Indeed, the SIME/DIME experiment found that every \$1.00 of extra welfare given to low income persons reduced labor and earnings by \$0.80.<sup>14</sup> The results of the SIME/DIME study are directly applicable to existing welfare programs: nearly all have strong anti-work effect like those demonstrated in the SIME/DIME experiment.

Thus higher welfare benefits decrease work effort and increase welfare dependence. But increased dependence, in turn, has strong negative effects on children's intellectual abilities and life prospects. Holding constant a wide range of factors such as family income, parental education and residence in a slum neighborhood, long term welfare dependence by a family reduces a child's intellectual ability by over one third compared to nearly identical children in low income families that were not on welfare.<sup>15</sup> Not surprisingly, research shows that young women raised in families dependent on welfare are two to three times less likely to graduate from high school than are young women of similar socio-economic background not raised on welfare.<sup>16</sup>

Finally, dependence on welfare also appears to spread from one generation to another. Children raised in families that receive welfare assistance are themselves three times more likely than

other children to be on welfare when they become adults.<sup>17</sup> This inter-generational dependency is a clear indication that the welfare system is failing in its goal to lift the poor from poverty to self-sufficiency.

#### WHY WELFARE UNDERMINES WORK AND MARRIAGE

Although it seems clear that the current welfare system undermines work and marriage, it useful to understand why this is so. Current welfare may best be conceptualized as a system which offers each single mother a "paycheck" worth an average of between \$8,500 and \$15,000, depending on the state.<sup>18</sup> The mother has a contract with the government: She will continue to receive her "paycheck" as long as she fulfills two conditions:

- 1) she must not work; and
- 2) she must not marry an employed male.<sup>19</sup>

The current welfare system has made marriage economically irrational for most low-income parents. Welfare has converted the low-income working husband from a necessary breadwinner into a net financial handicap. It has transformed marriage from a legal institution designed to protect and nurture children into an institution which financially penalizes nearly all low-income parents who practice it.

Welfare establishes strong financial disincentives to marry, effectively blocking the formation of intact, two-parent families. Example: Suppose a young man in the inner-city has fathered a child out of wedlock with his girlfriend. If this young father abandons his responsibilities to the mother and child, government will step in and support the mother and child with welfare. If the mother has a second child out of wedlock, as is common, average combined benefits will reach around \$13,000 per year.

If, on the other hand, the young man does what society believes is morally correct (i.e., marries the mother and takes a job to support the family), government policy takes the opposite course. Welfare benefits would be almost completely eliminated. If the young father makes more than \$4.50 per hour, the federal government actually begins taking away his income through taxes. The federal welfare reform act of 1988 permits the young father to marry the mother and join the mother and child to receive welfare, but only as long as he does not work. Once he takes a full-time job to support his family, the welfare benefits are quickly eliminated and the father's earnings are subject to taxation.

The economic logic of welfare is simple and cruel. If a mother and father do not marry their joint income equals: welfare for the mother plus the father's earnings.<sup>20</sup> If they do marry their joint income equals the father's earnings alone. Another way of expressing this dilemma is that the welfare system imposes an

extraordinarily high marginal tax rate (i.e. income loss rate) on the act of marriage. If a man earning \$10,000 per year marries a mother on welfare, their joint income (including the value of the welfare benefit) will fall by some 50 percent. If a man earning \$20,000 marries a mother on welfare, the couple's joint income will fall some 30 percent.

A simple approach to welfare reform would appear to be to allow the welfare mother to retain all or most of her benefits when she goes to work or gets married. While this approach at first seems plausible, in reality it would result in nearly all low income families receiving welfare. (For example, it would create a strong incentive for a low income couple to divorce, put the mother on welfare, and then remarry -- or to postpone marriage until after a mother was enrolled on welfare.) The cost would be enormous. Real reform will need to be tougher and more complex.

#### PRINCIPLES OF REAL REFORM

Welfare is currently a check in the mail with no obligations. This is wrong. Instead, welfare should be based on the principle of reciprocal responsibility: society will provide assistance, but able-bodied recipients will be expected to contribute something to society in exchange for the benefits they receive. The Apostle Paul set forth the foundation of sound welfare nearly two thousand years ago. In laying the ground rules for charity in the early

Christian church, he stated simply "He who shall not work, shall not eat."

Society should provide aid to those in need. But, as Paul understood, aid which is merely a one way handout is harmful to both society and the recipient. Such aid undermines the individual's ability to take responsibility for his or her own life. If the habit of dependence becomes entrenched, it limits the individual's capability to become a fully functioning member of mainstream society.

#### TOWARDS COMPREHENSIVE WELFARE REFORM

A second, related goal of welfare reform must be to change the welfare incentive structure. The current incentives for non-work and non-marriage must be drastically reduced. At the same time the rewards to those who work or get married must be increased. Comprehensive reform would have 5 parts:

1) Reduce Welfare Benefits The higher the value of a combined monthly welfare benefits the greater the increase in out-of-wedlock births and dependence. Thus H.R. 529, by raising benefit levels, will have completely counter-productive effects. Rather than increasing benefits, the combined welfare benefits for families on AFDC should be reduced. This is particularly necessary

in states with high benefits levels. AFDC recipients are eligible for benefits from nearly one dozen major welfare programs. In roughly half the states, the combined value of benefits received by the average AFDC family very much exceeds the federal poverty income threshold.

2) Establish Work Requirements in the AFDC Program. Within the AFDC program, mothers who do not have children under age five or who have received AFDC for over five years should be required to perform community service for at least 35 hours per week in exchange for benefits. In all two parent families receiving AFDC, one parent would be required to work. The work requirements should be permanent, lasting as long as the family receives benefits.

The effect of such a work requirement in encouraging welfare recipients to leave welfare and obtain private sector employment is clear. Equally important but less obvious is the fact that a work requirement also eliminates most of the anti-marriage incentives of the current welfare system. Under the current welfare system, when a single mother marries a fully employed male she loses most of her welfare benefits. Under a welfare system with a work requirement, a single mother would still lose her benefits upon marrying -- but she would now be losing benefits which she had to earn rather than a free income, so the loss would be far less significant. As long as the mother could obtain a private sector job which paid roughly as much as welfare, then marriage would no longer impose a significant financial or personal cost on the mother or her prospective spouse. Indeed, if required to work for welfare

benefits, some welfare mothers would prefer to marry and be supported by a husband's income rather than enter the labor force. By converting welfare from free income to income which must be earned, a work requirement eliminates most of welfare's anti-marriage incentives and would make marriage economically rational once again for millions of low income parents.

3) Establish Work Requirements for Food Stamp and General Assistance Recipients. Food Stamps and General Assistance recipients should be required to perform community service in exchange for benefits received. Elderly and disabled recipients as well as mothers with young children should be exempt from this requirement. Experiments have shown that work requirements for Food Stamp recipients can significantly reduce dependence and produce significant savings for the taxpayer.<sup>21</sup>

4) Provide Tax Credits or Vouchers for Medical Coverage to All Working Families The current welfare system which provides free medical coverage to single parents and non-working parents on AFDC but does not provide medical assistance to low income working families discourages both work and marriage. The federal government could reduce the anti-work/anti-marriage effects of welfare by enacting the comprehensive medical reform proposed by the Heritage Foundation.<sup>22</sup> This plan would provide federal tax credits and vouchers for the purchase of medical insurance to low income working families not eligible for Medicaid.

5) Provide Tax Relief to All Families with Children The federal government heavily taxes low income working families with children. A family of four making \$20,000 a year currently pays about \$3000 in federal taxes. This heavy taxation promotes welfare dependence by reducing the rewards of work and marriage relative to welfare. A crucial step in welfare reform is broad family tax relief to all low income working families.

#### EDUCATION REFORM AND MORAL RENEWAL IN THE INNER CITY

However, reforming welfare alone will not be sufficient to grapple with the real problems of urban poverty. In addition, we must draw upon the strengths of institutions outside government. Particularly important are churches. The church in the inner city can and should be our number one weapon in combatting: crime, poverty, family break up and school failure. Research by Dr, Roger Freeman of Harvard University shows that black inner-city youth who have religious values are 47 percent less likely to drop out of school, 54 percent less likely to use drugs, and 50 percent less likely to engage in crime than those without religious values. Religious institutions can succeed in improving urban life where government has failed.

Churches need to have a larger role in building the moral character of young people in the inner city. At the same time poor parents need the right to choose the type of education which will



best meet the moral and intellectual needs of their children. Both goals can be met by providing poor parents with educational vouchers which can be used to send their children to any school the parent chooses, public, private, or religious.

Poor parents should have the same right of choice in education currently exercised by Bill Clinton, Al Gore, Jesse Jackson, and Marion Wright Edelman. Because they are rich, these parents are not forced to send their children to public schools, instead they send them to private schools. Ironically, they will adamantly fight to deny the same right of choice to poor parents. The bottom line is simple: poor parents do not need more Food Stamps, instead they need school vouchers which will give them the same rights of choice in education currently exercised by Bill Clinton and Al Gore.

#### CONCLUSION

Any attempt to reform the current structure of public welfare must begin with a realization that most programs designed to alleviate "material" poverty generally lead to an increase in "behavioral" poverty. While the poor were supposed to be the beneficiaries of War on Poverty's transfer programs, they instead have become its victims. If policy makers fail to recognize or respond to this relationship, the welfare state will continue to worsen, rather than improve, the lives of America's poor.

The rule in welfare, as in other government programs, is simple: you get what you pay for. For over forty years the welfare system has been paying for non-work and single parenthood and has obtained dramatic increases in both. But welfare which discourages work and penalizes marriage is a system which ultimately harms its intended beneficiaries. Comprehensive welfare reform must combine toughness and a refusal to reward negative behavior with positive rewards for constructive behavior.

However, truly grappling with the problems of the inner city and American families will require much more than reforming welfare policies. Instead we need to begin a process of cultural renewal. Key to this renewal is educational reform based on parental choice and a broadening of the role of America's number one anti-poverty weapon: the inner city church.

(Attachments follow:)

1. Robert Rector, "Food Fight: How Hungry Are America's Children?", Policy Review, Fall 1991, pp. 38-43. Robert Rector, "Hunger and Malnutrition among American Children", Heritage Foundation Background, No. 843, August 2, 1991.
2. Bernard D. Karpinos, Height and Weight of Military Youths, (Medical Statistics Division, Office of the Surgeon General, Department of the Army, 1960) pp. 336-351. Information on the current height and weight of youths provided by the National Center for Health Statistics of the U.S. Department of Health and Human Services based on the National Health and Nutrition Examination Survey
3. Rector, "How the Poor Really Live: Lessons for Welfare Reform", Heritage Foundation Background, No. 875, January 31, 1992 12-13.
4. Robert Rector, "How the Poor Really Live: Lessons for Welfare Reform", op. cit.
5. U.S. Department of Health and Human Services, National Center for Health Statistics. Note: The black illegitimate birth rate is available only from 1969 on. The pre-1969 black illegitimate birth rates were calculated using the very similar "Non-White" rate.
6. Nicholas Zill, Kristin A. Moore, et. al., The Life Circumstances and Development of Children in Welfare Families: A Profile Based on National Survey Data, (Washington, D.C.: Child Trends Inc.), 1991.
7. Shelley Lundberg and Robert D. Plotnick, "Adolescent Premarital Childbearing: Do Opportunity Costs Matter?," June 1990, a revised version of a paper presented at the May 1990 Population Association of America Conference in Toronto, Canada.
8. Dr. Deborah A. Dawson, "Family Structure and Children's Health and Well-being: Data From the 1988 National Health Interview Survey on Child Health", paper presented at the Annual Meeting of the Population Association of America, Toronto, May 1990, Table 5.
9. Marybeth Shinn, "Father Absence and Children's Cognitive Development", Psychological Bulletin, Vol. 85, No. 2, 1978. pp. 295-324.
10. Dawson, op. cit. Davidson, op. cit.
11. June O'Neill, op. cit.
12. Irwin Garfinkel and Sara S. McLanahan, Single Mothers and their Children: a New American Dilemma, (Washington, D.C.: the Urban Institute Press, 1986), p. 31.

13. Dr. M. Anne Hill and Dr. June O'Neill, Underclass Behaviors in the United States: Measurement and Analysis of Determinants, forthcoming paper, research funded by Grant No. 88ASPE201A, U.S. Department of Health and Human Services.

14. Gregory B. Christiansen and Walter E. Williams, "Welfare Family Cohesiveness and Out of Wedlock Births," in Joseph Peden and Fred Glahe, The American Family and the State, (San Francisco: Pacific Institute for Public Policy Research, 1986), p. 398.

15. Dr. M. Anne Hill and Dr. June O'Neill, "The Transmission of Cognitive Achievement Across Three Generations", paper prepared for the RAND Conference on Economic and Demographic Aspects of Intergenerational Relations, Santa Monica California, March 1992.

16. R. Forste and M. Tienda, "Race and Ethnic Variation in the Schooling Consequences of Female Adolescent Sexual Activity," Social Science Quarterly, March 1992.

17. M. Anne Hill and June O'Neill, Underclass Behaviors in the United States: Measurement and Analysis of Determinants, (New York: City University of New York, Baruch College, March 1990).

18. This sum equals the value of welfare benefits from different programs for the average mother on AFDC.

19. Technically the mother may be married to a husband who works part-time at very low wages and still be eligible for some aid under the AFDC-UP program. However, if the husband works a significant number of hours per month even at a low hourly rate, his earnings will be sufficient to eliminate the family's eligibility to AFDC-UP and most other welfare.

20. The general policy rule is that all means-tested welfare benefit programs have anti-marriage effects because the welfare benefits will be higher if a man and woman do not marry and they are treated by the government as separate "households" for purposes of calculating benefit levels. A partial exception to this rule is the earned income tax program which, because it is limited to employed parents, will encourage marriage between an employed man and a mother on AFDC who is not employed. However, the existing EITC would, in some cases, discourage marriage between a employed man and an employed single mother. Because of the small size of the EITC this effect is probably not great.

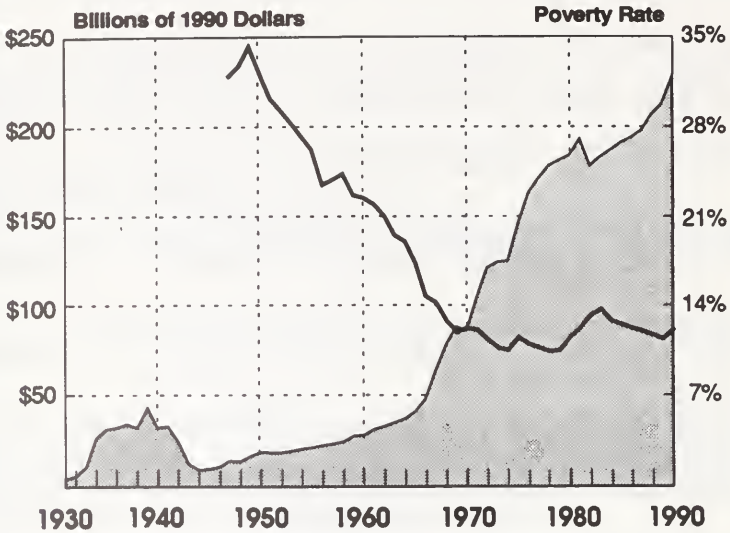
21. Abt Associates, Food Stamp Work Registration and Job Search Demonstration: Final Report, (Office of Analysis and Evaluation, U.S. Department of Agriculture, contract No. 53- 3198-0-85). July


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# The Poverty Paradox:

## Massive Government Spending Shows No Results




**Total State and Federal Welfare Spending (Adjusted for Inflation)**


**Poverty Rate**

**Note:** Accurate poverty data prior to 1947 are unavailable.

**Source:** Various U.S. government reports.

**Heritage DataChart**

Chart 2

## Federal, State and Local Welfare Spending by Program

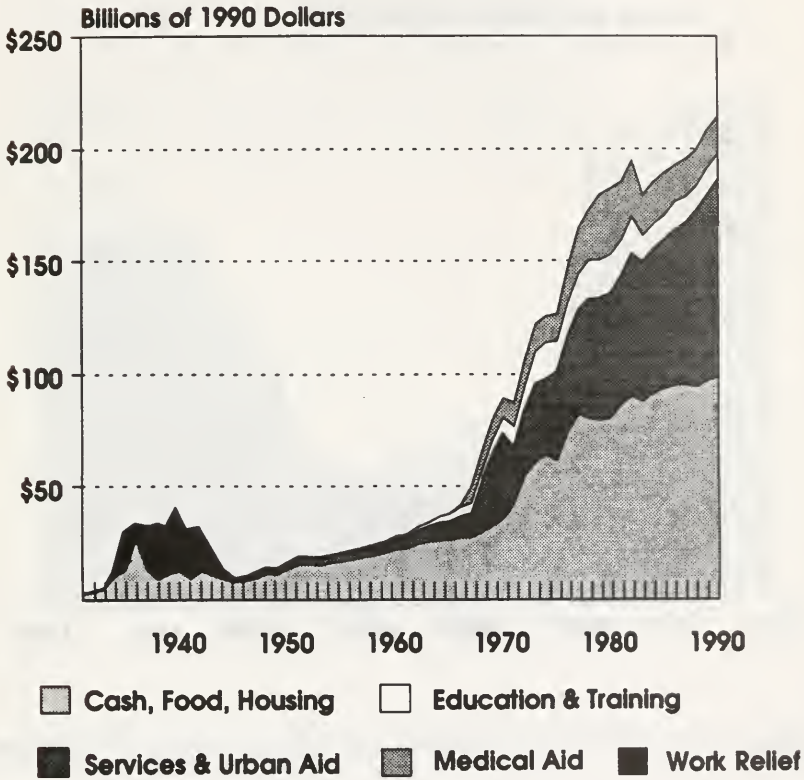


Chart 3

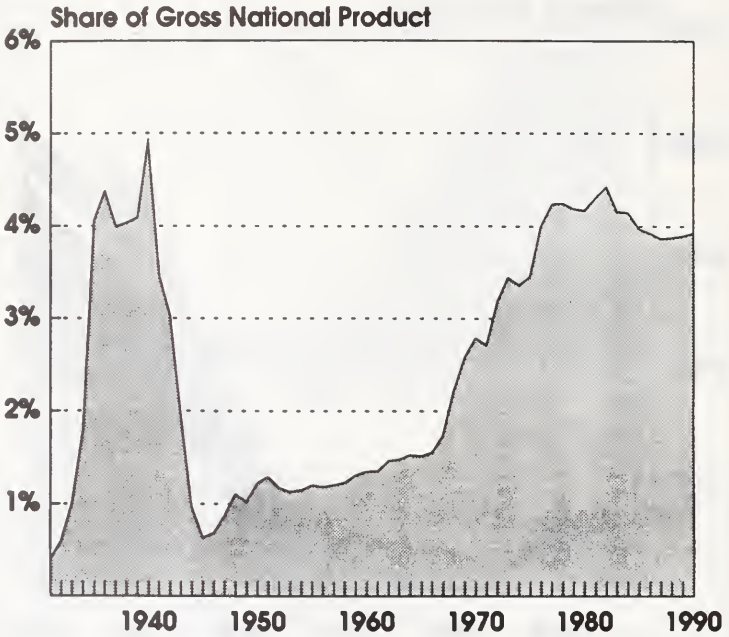
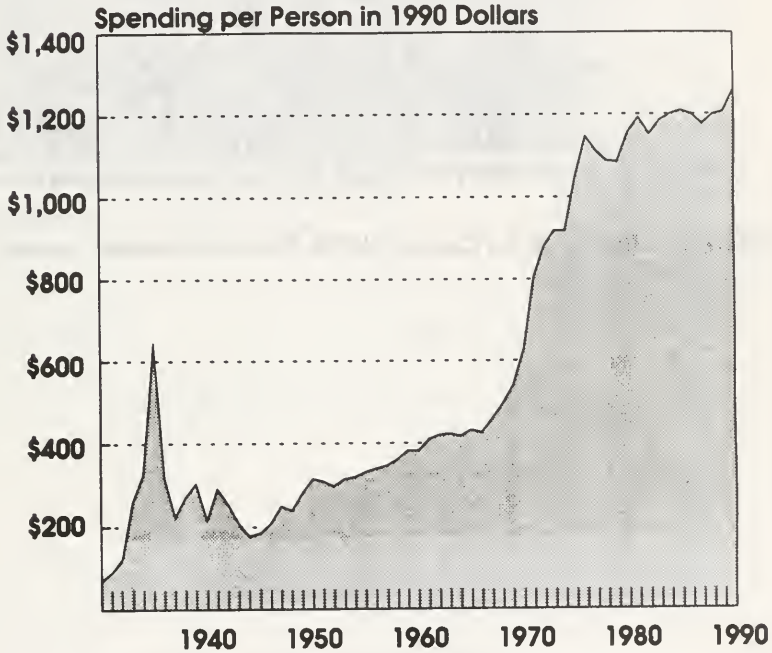
**Total Welfare Spending as a Share of GNP**



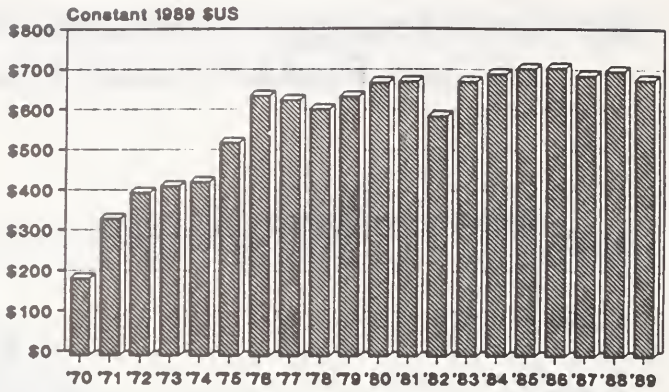
Chart 4

## Welfare Spending per Low Income Person on Cash, Food and Housing Aid



Low income person means the lowest income third of the nation.

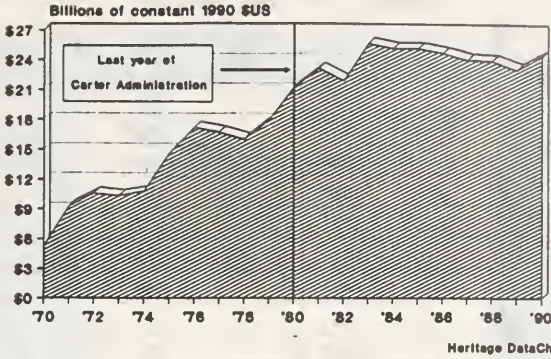
## Total Food Assistance Spending Per Poor Person



Heritage DataChart

Source: U.S. Bureau of the Census; USDA, Food and Nutrition Service.

### Total State and Federal Expenditures on Food Assistance Programs



\* Spending programs include: Food Stamps, WIC, School Lunch Program, Food Donation Programs, Child Nutrition Programs, among others.

Source: USDA, Food and Nutrition Service

**Average Per Capita Consumption of Nutriments  
as a Percentage of Recommended Daily Allowances  
Children under age 6 in 1985**

	Family Income Below 75% of Poverty Threshold	Family Income Below 100% of Poverty Threshold	Family Income Above 300% of Poverty Threshold
Protein	211	208	213
Vitamin B-12	211	208	164
Thiamin	192	141	152
Vitamin A	186	183	230
Vitamin C	179	177	164
Riboflavin	181	179	182
Folate	149	148	158
Niacin	138	135	145
Phosphorous	120	120	127
Vitamin B-5	113	111	133
Vitamin E	113	109	102
Magnesium	105	105	126
Calcium	94	94	99
Zinc	76	75	73

Sources: *Low Income Women 19-50 Years and Their Children 1-5 years, 4 Days, op. cit.*, pp. 72-73. *Women 19-50 Years and Their Children 1-5 years, 4 Days, 1985, op. cit.* pp. 64-65.

**Table 2**  
**Average Per Capita Food Consumption**  
**By Gram Weight**  
**Children under age 6 in 1985**

	Family Income Below 75% of Poverty Threshold	Family Income Below 100% of Poverty Threshold	Family Income Above 300% of Poverty Threshold
Fish, Meat, Poultry	108	106	97
Milk and Milk Products	390	386	401
Grain Products	202	196	192
Fruits and Fruit Jubes	151	154	258
Vegetables	95	95	99
Sugar and Sweets	21	20	37
Fats and Oils	5	5	8
*All figures in grams			

Sources: *Low Income Women 19-50 Years and Their Children 1-5 years, 4 Days, op. cit.*, pp. 14-36.  
*Women 19-50 Years and Their Children 1-5 years, 4 Days, 1985, op. cit.* pp. 14-36.

A Reprint from

# policy REVIEW

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## FOOD FIGHT

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How Hungry Are America's Children?

ROBERT RECTOR

Fall 1991

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The Heritage Foundation

## FOOD FIGHT

### How Hungry Are America's Children?

ROBERT RECTOR

**A** startling number of American children are in danger of starving...one out of eight American children is going hungry tonight." So began a CBS Evening News broadcast last March. This headline-grabbing charge came from a survey conducted by the Food Research Action Center (FRAC), a liberal food advocacy group, sponsored by the Kraft Corporation, one of America's largest food-processing companies.

CBS got it wrong. FRAC actually reported that one out of eight children in the United States had been "hungry" at some time during the prior year, not each night as the network reported. This shocking statistic has since passed into media and political folklore as just the latest example of the plight of poor children under the Reagan and Bush presidencies. The *New York Times*, the *Boston Globe*, the *Washington Post*, the *Chicago Tribune*, the *Christian Science Monitor*, and *USA Today* all gave the FRAC report saturation coverage.

All of these media accounts ignored the FRAC study's lack of scientific basis. In contrast to numerous other studies of nutrition in America, FRAC did not measure actual food or nutrient consumption. Instead, FRAC asked American families subjective questions about whether they would like to have more or a wider variety of foods. The FRAC survey was deliberately so vague that it actually "discovered" that large numbers of middle-class children were hungry as well.

FRAC's startling assertions of widespread hunger in America are flatly contradicted by scientific surveys conducted by the Food and Nutrition Service of the Department of Agriculture and the Centers for Disease Control of the Department of Health and Human Services. These surveys, which measure actual food consumption and physiological status in the U.S. population, show little evidence of hunger or insufficient caloric and protein intake among poor children or poor adults. Vitamin and mineral consumption are in most cases well above recommended norms and little difference is found between the level of nutrients consumed by poor and affluent children. Overall, government research finds no significant health problems among the poor caused by general food shortages. Rather, the top nutrition-related health problem among poor Americans is not hunger

and undernutrition—but obesity.

Similarly inaccurate is FRAC's identification of the politically correct cause of hunger: "spending cuts during the Reagan presidency." Like FRAC's discovery of widespread undernutrition, these spending cuts are purely fictitious. In reality, constant-dollar spending on food programs, and on welfare programs in general, increased under Ronald Reagan. After peaking during the recession of the mid-1980s, aggregate constant-dollar federal and state food assistance spending remained at \$24.4 billion in 1990. Adjusted for inflation, this was 15 percent higher than spending in 1980 and 68 percent higher than spending in 1975. In inflation-adjusted terms, government food aid per poor person in 1987 equalled \$687, compared with \$529 in 1975.

#### Big FRAC Attack

The FRAC study claimed that 40 percent of poor children suffer hunger, which it defined as "a physical condition that comes from not eating enough food due to insufficient economic...resources," and as a state of "chronic mild undernutrition." This is a reasonable definition of hunger; but what are the actual facts about undernutrition and malnutrition in the United States?

For over 50 years the federal government has painstakingly surveyed food and nutrient consumption within the United States. In each decade since the 1930s the U.S. Department of Agriculture (USDA) has conducted at least one "food consumption survey," using extensive interviews with representative samples of households to determine the actual amount of food consumed by each household on various days throughout the year. These surveys permit comparisons of average food and nutrient consumption in households from different socioeconomic strata.

The USDA food consumption surveys provide the government with preliminary data to identify potential nutritional problems within the general population and

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various socioeconomic sub-groups. The government then follows this preliminary data with periodic targeted physiological and anthropometric (body structure) surveys that provide a far more precise assessment of nutritional status within the population. Past surveys include the Health Examination Surveys of the early 1960s (HES I and HES II) and the National Health and Nutrition Examination Survey (NHANES) of the early 1970s. Between 1976 and 1980, the Centers for Disease Control conducted NHANES II, collecting hematological, biochemical, anthropometric, and other medical data from a representative sample of tens of thousands of Americans. The NHANES II data are critical to an accurate assessment of protein, vitamin, mineral, and caloric deficiencies.

Neither the USDA food consumption surveys nor the NHANES II study found evidence of malnutrition among poor children. In fact, they show very little difference in the nutritional content of food consumed by low-income children compared with those in affluent American families.

#### Overabundant Protein

One of the most serious forms of malnutrition is protein deficiency. Proteins are amino acids that act as the fundamental building blocks of life. Without a sufficient intake of protein, humans suffer growth retardation, impaired mental functioning, and fatigue; a very severe deficiency can lead to death. Fortunately, protein is abundant in many food sources including meat, milk, poultry, fish, soy, nuts, corn, and beans. Although protein deficiency still plagues developing nations, it is essentially non-existent in the United States.

As part of the NHANES II survey, CDC offices analyzed serum albumin levels among Americans. Low levels of serum albumin, the most common protein in the blood, are the clearest indicator of protein-caloric malnutrition. Of a total representative sample of 15,457 persons, however, only 19 individuals, or less than one-tenth of 1 percent, showed signs of protein deficiency. Moreover, there were no differences between races or between poor and non-poor persons.

A 1985-1986 USDA food consumption survey likewise found no signs of protein deficiency among young children. Preschool children from families with incomes below 75 percent of the poverty level (\$8,242 for a family of four in 1985) consumed 54.4 grams of protein per day, compared with 53.6 grams for children in families with incomes above 300 percent of poverty (roughly \$33,000 for a family of four in 1985). Black preschool children consumed 56.9 grams of protein, compared with 52.4 grams for white children. Surprisingly, protein and caloric consumption was slightly higher among children in the central cities than in the suburbs. On average, protein intake of both poor and upper-middle-income children exceeded 200 percent of U.S. recommended standards.

Thus, as the *Nutrition Monitoring Update*, a summary report prepared jointly by the Department of Health and Human Services and the USDA, concluded in 1989: "Protein is not considered to be a current public health issue...there is no evidence of health problems associated

with deficiency or excess.\* Where protein deficiency does occur, it is not linked to poverty. Indeed, poor as well as affluent Americans of all ages have diets rich in meat and protein in comparison with the rest of the world, and greatly exceed recommended daily requirements.

#### From A to Zinc

As Table 1 shows, consumption of essential vitamins and minerals among both high- and low-income preschool children also generally exceed USDA standards, often by more than 50 percent. In only a few instances does nutrient consumption fall below recommended levels. The few shortfalls that occur among poor children appear among higher-income children as well. The USDA data show not only that the average nutrient consumption of poor and higher-income children was very similar, but that the variation (or statistical spread around the average) was quite similar in both groups as well. Moreover, since the recommended USDA standards for consumption of vitamins and minerals are conservatively set above the levels needed for good health for most persons and USDA underestimates the nutrients in some foods due to lack of information—an average deficiency of a nutrient does not necessarily indicate a significant nutritional problem.

For example, the 1985 USDA study of pre-schoolers showed that average zinc consumption fell below recommended standards for both poor and higher-income children by some 25 percent. But the NHANES II

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## On average, protein intake of both poor and upper-middle-income children exceeds 200 percent of U.S. recommended daily requirements.

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hematological study found only 2 to 3 percent of all children had low serum zinc levels. Low serum zinc was only slightly more common among poor children. Zinc aids in the metabolism of protein. Severe deficiencies can lead to stunted growth, increased susceptibility to infection, and mental lethargy, and may even contribute to sickle cell anemia. Peanut butter, meat, poultry, seafood, cheese, milk, and whole-grain cereals are all good sources of this trace mineral.

Similarly, while USDA surveys found that higher-income school-aged children consume much higher levels of fruit and fruit juice, the lower consumption of fruit among poor children did not result in vitamin C deficiency. The NHANES II hematological survey found no evidence of low levels of serum vitamin C among children under age 11. Between 1 and 2 percent of American teen-agers were found to have low serum vitamin C levels, but this was more common among non-poor than poor





Eat your broccoli. It's high in vitamin C, calcium, and vitamin A.

Keener/Bettmann

teen-agers. Although vitamin C is abundant in fruits, especially oranges, lemons, and strawberries, it can be found in a number of other foods as well, including green peppers, brussel sprouts, tomatoes, and potatoes. Scientists are still not sure exactly how vitamin C is utilized by the body, but it does play a role in metabolizing protein. It also works to strengthen the immune system. A serious vitamin C deficiency can cause bleeding gums and reduce the body's natural ability to heal wounds. A complete lack of vitamin C in the diet is potentially fatal; it is also almost unheard of in modern times.

Calcium, which makes up 2 percent of the body weight of an adult, is another vital mineral. Not only does it build up teeth and bones, calcium also aids in proper nerve function, blood clotting, and muscle contraction, among other functions. Calcium deficiencies can lead to osteomalacia, a softening of the bones, or osteoporosis, a brittling of the bones. Fortunately, it is fairly easy to get through food sources an adequate amount of calcium. Two cups of milk a day for adults fulfills RDA requirements; three cups of milk takes care of the greater needs of adolescents. Broccoli and mustard greens are also good sources. The USDA consumption survey discovered that among preschoolers average calcium consumption for both poor and high-income children was slightly below recommended levels. Symptoms of calcium deficiency appear among middle-aged and older women, but are generally unrelated to economic class.

#### Better Eat Your Wheaties

The most common nutritional shortfall among Americans appears to be iron deficiency—a problem we share with most other developed nations. As a key component of hemoglobin, iron is essential to the blood

system's ability to absorb and deliver oxygen to the body. Periods of rapid body growth, such as infancy, adolescence, and pregnancy, increases the likelihood of iron deficiency, which can cause fatigue, impaired mental activity, and increased susceptibility to infection. Deficiency can be countered by eating foods rich in iron such as liver and other organ meats, egg yolks, raisins, dark leafy vegetables such as spinach, and legumes such as kidney beans, or by taking an iron supplement.

During the early 1970s there was concern that iron deficiency was causing high rates of anemia among poor young children. In 1974, the Centers for Disease Control began monitoring anemia among low-income preschool children deemed to be at high nutritional risk. Among this group the prevalence of anemia has been more than halved, falling from 7.8 percent in 1975 to 2.9 percent in 1985. The anemia rates for poor children are now quite low, although still slightly higher than the anemia rates for middle-class children.

Part of the decline in anemia is a result of the expansion of the Women, Infants, and Children (WIC) food program over the past two decades. However, the CDC data show that between 1975 and 1985 the most dramatic reductions in anemia occurred among poor children prior to enrollment in WIC. Similar reductions in anemia occurred among middle-class children not eligible for WIC. These dramatic changes were the result of improvements in iron levels in the general food supply as well as changes in food selected for young children. These improvements included: greater frequency and duration of breast feeding, increased substitution of iron-fortified infant formula for non-fortified milk, and increased use of iron-fortified cereals.

Moreover, while CDC data from the mid-1970s show significant declines in anemia among poor children after those children began participation in WIC, CDC data from the 1980s show WIC playing a diminishing role. The difference in anemia rates among poor children prior to enrollment in WIC and the anemia rates of poor children after participation in WIC shrank between 1975 and 1985. This suggests that the improved level of iron nutrients provided to children in general has meant that WIC has played a less significant, although still important, role in reducing iron deficiency among the poor in recent years.

#### Honey, I Shrank the Kids

The effects of malnutrition are evident not only in blood chemistry but in a child's body structure as well. Thus, surveys of body structure are useful additions to food intake and biochemical studies as tools to detect malnutrition. Body weight relative to height, for instance, is the best indicator of adequate caloric intake. A child suffering from serious caloric underconsumption will exhibit low body weight relative to height—known as "thinness" or "wasting."

The CDC began monitoring wasting among poor children at risk of malnutrition in 1973. The CDC data show that thinness is not more common among impoverished children than among the general population. *Nutrition Monitoring in the United States*, produced jointly by the USDA and the Department of Health and Human

Services in 1986, concludes that "wasting does not constitute a significant health problem" among impoverished children in the United States.

In NHANES II, the CDC also measured general body fat among poor and non-poor children through a "skinfold test." In this test a specific width of flesh is pinched together to produce a skinfold. The width of the skinfold is then measured with calipers that give a specific measure of the individual's body fat level.

Skinfold tests show that poor girls, on average, are plumper than non-poor girls. Poor boys, on the other hand, have slightly less body fat than more affluent boys. But even in the case of poor and non-poor boys, the average difference in skinfold thickness is roughly one one-hundredth of an inch. This amounts to a difference of around 2 percent or one-tenth of a standard deviation—a minute difference detectable only with very precise measurement.

The NHANES II survey did find that poor children were roughly 1 percent, or a half-inch, shorter than non-poor children of the same age. However, the survey found no consistent evidence linking this lower height to lower levels of nutrition. The *Nutrition Monitor Update* cautions that many factors other than food consumption may contribute to the relative shortness of poor children. For example, parents' height, genetically transmitted to their offspring, is the strongest determinant of a child's height. Poor children, on average, have shorter parents than non-poor children. Emotional disturbances due to unstable family structure also tend to slow a child's growth, and family instability is also more common among poor households. Smoking by a mother during pregnancy and exposure to parental smoking in the home during childhood can be an additional cause of a child's stunted growth; both practices are more common among poor households. And low birth-weight, which is more common among poor children, has an effect on a child's height in subsequent years.

#### Eschewing the Fat

The most striking feature of the extensive government nutrition research on poor persons is, surprisingly, the high prevalence of obesity among poor adults. Nearly 45 percent of all poor adult women are overweight compared to 28 percent of non-poor women. The socioeconomic pattern of obesity in the United States is mirrored in all other developed nations: obesity is most common among low-income groups and declines as income rises. By contrast, in developing economies this pattern is reversed: as an individual's socioeconomic status increases, the probability of obesity increases as well. Within developing nations, economic constraints limit the food available to lower-income persons; as individuals climb the socioeconomic ladder within these developing societies the economic constraints diminish and the rate of obesity rises. But in developed societies, food is abundantly available in all income classes; obesity is controlled by a self-conscious discipline that occurs more often among higher socioeconomic groups.

Excessive weight or obesity is a serious medical problem. Obesity contributes to high blood pressure, diabetes, cardiovascular disease, and some types of can-

TABLE 1

Average Per-Capita Consumption of Nutrients as a Percentage of Recommended Daily Allowances of Children Under Age 6 in 1985

	Family Income Below 75% of Poverty Threshold	Family Income Above 300% of Poverty Threshold
Protein	211	213
Vitamin B-12	211	164
Thiamin	192	152
Vitamin A	186	230
Vitamin C	179	164
Riboflavin	181	182
Folicin	149	158
Niacin	138	145
Phosphorous	120	127
Vitamin B-6	113	133
Vitamin E	113	102
Magnesium	105	128
Calcium	94	99
Zinc	76	73

Source: USDA, *Low Income Women 19-50 Years and Their Children 1-5 Years, 4 Days*, pp. 64-65, 72-73

cer, which can all significantly reduce life expectancy. The poor suffer from these problems disproportionately. By contrast, there is no indication among the poor of any prevalence of the medical problems caused by consistent caloric insufficiency.

It is possible, of course, to be overweight and undernourished. Indeed, a common political explanation for the high prevalence of obesity among poor adults is that lack of money forces the poor to consume too many "empty calories," in products such as potato chips or Twinkies. There are two flaws to this argument. First, the "nutrient density" (nutrients per 1,000 calories) of foods eaten by the poor in general is only 4 percent lower than that in foods consumed by high-income persons. Second, nutrient intakes of poor and non-poor adults are quite similar, and there is no clinical or hematological evidence of widespread deficiencies. Deficiencies that do occur, such as calcium and iron intakes among poor women, occur to a very similar degree among higher-income women as well. In fact, there is no evidence that obese poor adults eat more calories than the average person; the more probable cause of obesity among the poor seems to be lack of adequate exercise.

There is also no evidence that poor families are forced by financial pressures to eat cheap and unhealthy foods. The USDA food consumption surveys show that poor households actually purchase foods quite efficiently, in general obtaining more protein and other nutrients per dollar of food expenditure than typical affluent households. Moreover, poor households generally do not eat more total fat or saturated fat as a share of total diet than do non-poor households. And poor households



Archive Photos/Harold Lambert

Among the 20 percent of poorest households today, consumption of vegetables, meat, poultry, and fish actually exceeds consumption among the general population in the mid-1950s.

actually eat slightly more complex carbohydrates—a healthy food item—than do affluent households, and less unhealthy cheap simple sugars.

As Table 2 shows, poor persons, moreover, actually have lower levels of serum cholesterol relative to higher-income persons of the same gender, age, and race. And dangerously high levels of serum cholesterol are more common among the non-poor than the poor.

#### Better Than Ozzie and Harriet

Historical data show a consistent "upscaling" of the diets of low-income Americans over time. Today, among the 20 percent of households with the lowest incomes, consumption of vegetables actually exceeds consumption among the general population in the mid-1950s. Low-income Americans today consume about 20 percent more meat, poultry, and fish than did the average citizen in 1955. And current low-income consumption of meat, poultry, and fish is nearly 70 percent greater than the average per-capita consumption of these items in urban households in 1948.

Beef consumption, often considered a symbol of diets of the prosperous middle-class, has shown a similar increase. Current per-capita beef consumption among low-income households exceeds average consumption in the U.S. in 1955 by 35 percent. Most strikingly, per-capita beef consumption among the current lowest economic quintile tops beef consumption among the most affluent 5 percent of urban households in 1948 by nearly a third.

Consumption of frivolous items such as soft drinks is 100 percent greater among low-income persons today than among the general population in the mid-1950s. By contrast, inexpensive foods such as potatoes, bread, and flour are consumed by low-income individuals today at rates 25 to 50 percent below that of the general population in the 1950s.

The increasing levels of meat consumption and declining levels of grain consumption among the poor are further evidence that these households are not suffering from recurring hunger. Poor persons on average eat roughly the same amount of meat, poultry, and fish as do higher-income persons, with resulting protein intakes well above recommended levels. As noted, poor children actually consume more meat products than do higher-income children and have average protein intakes 100 percent above recommended levels.

While meat is a good source of protein, it is an extremely expensive source of calories. Calories provided through inexpensive meats still cost roughly five times as much as calories obtained from grain products. It is simply not plausible that poor families would maintain the same level of meat consumption as high-income families while suffering, as FRAC contends, from recurring empty refrigerators and empty stomachs. If so, the empty stomachs could readily be filled through a slight reduction in meat purchases and an increase in less expensive although still healthful bulk foods. Indeed, many nutritionists would argue that reducing meat and

increasing grain consumption would actually be healthier for most Americans, rich and poor.

#### Land of Milk and Honey

In general, poor Americans, young and old, are well-nourished. The poor do not suffer from food shortages nor are they forced by penury to consume less healthy foods than the rest of Americans. There is no evidence of widespread hunger and undernutrition. To the contrary, the *Nutrition Monitoring Update* summary report, issued by USDA and HHS in 1989, concludes that among persons at all income levels: "The principal nutrition-related health problems experienced by Americans continue to be related to the overconsumption of some nutrients and food components, particularly food energy [i.e., calories], fat, saturated fatty acids, cholesterol, [and] sodium." The report identifies five nutrition-related public health problems affecting U.S. citizens: obesity from excess calories; high serum cholesterol from excess consumption of fat, saturated fats, and cholesterol; hypertension promoted by high sodium intake; osteoporosis (loss of bone mass) from low calcium consumption; and anemia from low iron consumption. With the possible exception of iron-deficiency anemia, which is slightly more frequent among the poor, none of these health conditions can be attributed to poverty-induced undernutrition.

Moreover, even in the case of nutrient shortfalls among the poor like calcium and iron, it is unlikely that the broad expansion of food assistance programs, promoted by FRAC and other liberal organizations, would alleviate the specific nutritional problems. There are two reasons for this. First, providing food aid does not necessarily increase the amount of money a family

## The top nutrition-related health problem among poor Americans is not hunger and undernutrition—but obesity.

spends on food. Research by the Congressional Budget Office has shown that if the average family is given \$100 in food stamps it will decrease its cash spending on food by \$43. Thus \$100 in food aid results in only \$57 in increased food expenditures. Second, an increase in food spending does not necessarily lead to an increase in consumption of specific nutrients because there is no guarantee the funds will be spent to buy foods that have high levels of those nutrients. This is particularly true in the case of nutrients, such as calcium, zinc, and iron, that tend to be underconsumed by both high- and low-income families.

A more effective way to address potential specific vitamin or mineral deficiencies among poor persons

TABLE 2

Percentage of Adults with High-Risk Serum Cholesterol

	Income Below Poverty	Income Above Poverty
<b>Males</b>		
Age 25-34	24.7	18.9
Age 35-44	13.5	21.3
Age 45-54	13.9	21.3
Age 55-64	12.6	23.2
Age 65-74	13.4	19.0
<b>Females</b>		
Age 25-34	15.9	17.8
Age 35-44	12.4	13.5
Age 45-54	23.0	22.5
Age 55-64	29.3	36.3
Age 65-74	29.6	35.5

Source: USDA, *Nutrition Monitoring in the United States, 1986*, p. 320

would be to increase the levels of these nutrients provided through existing food programs. Example: calcium and iron deficiencies among poor mothers could be addressed by providing mineral supplements to these women as part of the WIC and Food Stamp programs. Potential iron or zinc deficiencies among poor children could be addressed by raising the level of these nutrients in foods provided through the WIC and School Lunch programs. Equally important, poor persons must be more effectively informed of the health hazards of obesity, and high fat and sodium consumption.

#### Best-Nourished Generation in History

At the turn of this century, as many as 10,000 Americans died annually from pellagra, a disease caused by vitamin B deficiency. Such diseases caused by undernutrition have today all but disappeared in this country. Nutrition-related health problems in the United States today are caused by obesity and consumption of unhealthy foods, not by food shortages.

The current generation of American children—even poor children—is undoubtedly among the best nourished in human history. Yet poor children do face devastating problems: escalating crime, disintegrating families, communities where the positive role models of working adults are often missing, and government schools that can no longer physically protect let alone educate them. But chronic hunger and widespread undernutrition are not problems for poor children. Perhaps the most regrettable consequence of FRAC's bogus hunger survey is that it distracts public attention from the overwhelming real problems facing poor children, problems desperately in need of creative solutions. **T**

**TESTIMONY OF THE  
REVEREND PAUL H. SHERRY  
PRESIDENT, THE UNITED CHURCH OF CHRIST**

Good afternoon Mr. Chairman and members of the Committee. I am the Rev. Paul Sherry, the President of the United Church of Christ. We are a denomination of 1.6 million members and 6,400 local churches located in the United States and Puerto Rico. I speak on the basis of the policy of our General Synod, the largest representative body of our church.

Mr. Chairman, I and others in the religious community want to thank this committee for your leadership on issues of food security. We appreciate deeply the interest, vigor and commitment of this committee in addressing the problem of hunger and its dramatic consequences on our nation's people.

I come here today to urge your support for major public policy initiatives to end hunger in our beloved country. In particular, I ask you to support the Mickey Leland Childhood Hunger Relief Act so that children may be fed and lives secured.

I want to share with the committee the extent of church-related volunteer efforts to respond to growing hunger in this country and to say that volunteer services- as important as they are- are clearly insufficient. Public sector approaches, including the enactment of the Mickey Leland Childhood Hunger Relief Act, are essential if hunger is to be alleviated.

We in the churches are committed to help meet people's needs. 85% of the some 6400 congregations of the United Church of Christ have provided needed services such as feeding

centers, soup kitchens, and food pantries, or have contributed financially to their support. In both rural and urban settings, our church members have seen firsthand the growing number of people in need of utilizing these services. The United Church of Christ Hunger Action Office continues to receive reports from across the country of dramatically increased demands on the direct service system. Since 1981, the number of soup kitchens and food pantries in New York City has grown by 2500% – from 30 sites to over 750. In St. Louis, Missouri the demand on pantries has increased by 15% each of the last three years. In Cleveland, Ohio, where our church's national offices are located, the Food Bank distributed approximately 1 million pounds of food in 1980. By 1989, that figure had grown to 10 million pounds. An ecumenical agency in Cleveland served 129,000 persons in 1981, and over 653,000 in 1991. In 1991 the emergency food pantries system in Lincoln, Nebraska, experienced for the first time in its history a period when 7 out of its then 11 congregationally-based emergency food pantries ran out of food. Indeed, from 1987 to 1992, the Lincoln food pantries system saw a 114% increase in the use of its services – and in 1993 the figures continue to rise. These figures support the data of the 1991 Community Childhood Hunger Identification Project study documenting that more than 5 million of this country's children under the age of 12 are hungry and that an additional six million more of our children are in danger of hunger.

Hunger is rising and it is overwhelming virtually every community in this nation. This is a moral outrage and conscience dictates that it simply cannot continue. As I have said, the members of our churches are responding. We will continue to do so. But volunteer efforts

are not enough. Major public sector initiatives are critically needed if people are to receive the food they need to live.

The 18th General Synod of the United Church of Christ endorsed the Campaign to End Childhood Hunger in July of 1991. That Campaign recognizes the urgent need for increased governmental action. That Campaign recognizes the fact that food stamps continue to be the most effective program for alleviating hunger in this country. That Campaign calls for increases in food stamp benefits and helpful changes in the qualifying criteria. We support the Leland Act because it responds to that call.

The United Church of Christ is but one denomination committed to addressing the root causes of hunger and poverty in this country. Many other denominations and religious bodies have made similar commitments. The Presbyterian Church (USA) has begun an extensive survey to determine the type and extent of responses by their congregations across the country. Current statistics show that one third of all Presbyterian congregations are involved in some form of direct service and around holidays that number increases to 75%. The Evangelical Lutheran Church of America, through its network of 250 affiliated social ministry associations, annually involves 190,000 employees and volunteers to provide services to 2 million people experiencing poverty across the nation at a cost of 1.5 billion dollars. Both of these denominations have long standing policy bases regarding hunger and food policy. That is also true for other religious bodies. We are united in our belief that a first and vital step toward the goal of alleviating hunger should be to urge that the Food Stamp

Program be accessible to all who are eligible and that the program be provided sufficient support so that children and their families will have enough to eat each month of the year. The Leland bill does this and we urge its support.

It is well documented that the Food Stamp Program is the most far-reaching and effective program for aiding our fellow American citizens who are experiencing hunger. For many of our nation's children, food stamps provide the only consistent access to food. The current Food Stamps Program provides more than 82% of its benefits to families with children. It is the hunger safety net of our country. We also know, however, that in its present form, the Food Stamp Program is not able to meet the current need. It is estimated that only 60% of eligible families are participating in the Food Stamp Program and that only 20.6% of households receive the maximum benefit. The proposed provisions of H.R. 529 would make improvements in our current Food Stamp Program that would allow us to better serve our citizens. Currently, food stamps provide only 75 cents per person/per meal, and the current level of aid provided means that families run out of food stamps toward the end of the month. Hence, the provision calling for an increase in the basic benefit level from 103% to 105% of the Thrifty Food Plan, makes modest but crucial inroads towards insuring nutritionally adequate food supplies to our citizens.

Statistics concerning the Food Stamp Program tell only half the story. Numbers do not bring to life the faces behind the numbers- they do not convey the stories of those for whom the Food Stamp Program makes a vital difference. The following testimonies bear witness to the significance of the Mickey Leland Bill. Cheri Honkala, in her capacity as Director



of the Kensington Welfare Rights Union in Philadelphia, confronts the devastation of hunger on a daily basis. She observes, "For too long recipient after recipient has entered our offices throughout the country in search of food for their children, the Food Stamp Program for these families has been the solution, it has put near starving children to bed, whether it be in the urban or rural areas, with food in their stomachs. Above everything else, we must do all we can to feed our children!" For John, a twelve year old Food Stamps Program participant, food stamps mean the opportunity to make the most of his time at school each day. "Because my mom gets food stamps, I'm better able to concentrate in school. Before, all I used to think about was how hungry I was. Now I feel like I'm learning more."

If we care for our children, they will benefit and so will we all. But if we abandon them, they will suffer and so will we all. Hungry children are:

- more than four times as likely to suffer from fatigue;
- almost three times as likely to suffer from concentration problems; and
- almost twice as likely to have frequent colds.

To feed a child is to feed the future. The Leland bill does that. It is a commitment to children and their future. The Leland bill is an education bill; it is a health care bill; it is a housing bill. It helps families avoid the impossible choice between food and shelter. I believe the Leland bill is our Country at its best- providing the opportunity for all children to rise to their potential and to be full and contributing citizens of this land.

It would be a tragedy for this bill not to pass during this session of congress after four years of discussion and debate. For the first time, there is funding in the budget for the initiatives of the Leland Bill. As the number of hungry children grows, so too must our commitment to ending hunger grow in this nation. Congregations and church members across our country have and will continue to respond to the needs of those who are poor. We dare not and will not do otherwise. But our resources are insufficient. We simply cannot meet the need. Increases in public resources are required and you, our public servants, need to respond if hungry children are to be fed. This nation has a fundamental moral responsibility to meet the basic needs of its people. The Mickey Leland bill addresses these needs and for the sake of our children- for all our sakes- for the sake of this nation's future, I urge your positive response.

(Attachment follows:)

## RESOLUTION "CAMPAIGN TO END CHILDHOOD HUNGER"

91-GS-24 VOTED: The Eighteenth General Synod adopts the Resolution "Campaign to End Childhood Hunger."

## CAMPAIGN TO END CHILDHOOD HUNGER

WHEREAS, millions of children are going hungry in the United States of America and these children are invisible to the eyes of many people who are unaware of the tragic dimensions of the solvable problem of hunger in the United States;

WHEREAS, it is time to make ending childhood hunger a national priority;

WHEREAS, conservative estimates based on the final Community Childhood Hunger Identification Project (CCHIP) results indicate that 5.5 million children are now hungry and 11.5 million are either hungry or at risk of hunger in the United States;

WHEREAS, the impact of hunger on children in the U.S.A. often manifests itself in lower birth weights of newborns and in many specific health problems such as unwanted weight loss, fatigue, headaches, irritability, inability to concentrate and frequent colds;

WHEREAS, CCHIP found that hungry children experience two to three times as many of these problems as do children whose families do not experience hunger;

WHEREAS, the capacity to learn of children who are hungry is compromised and their physical development, stamina and resistance to disease are impaired;

WHEREAS, hunger hurts everybody, and only when our children are well nourished can they reach their full potential and become contributing members of society;

WHEREAS, childhood hunger in the United States is caused by lack of income, and with nearly 32 million people living below the poverty line, including 12.6 million children, the need for affordable housing, health care, quality education and jobs with living wages become critical components of long term solutions to the many problems caused by poverty.

THEREFORE, BE IT RESOLVED, the Eighteenth General Synod endorses the Campaign to End Childhood Hunger and

Supports the adoption of national policies guaranteeing food security to all people;

Seeks to ensure all eligible low income women, infants and children can receive assistance through the Special Supplement Food Program for Women, Infants, and Children;

Seeks to make the School Breakfast program available to low income children across the country and encourages federal, state and local policies to ensure the national School Lunch program remains broadly accessible to all such children;

Seeks to make the Food Stamp program accessible to all who are eligible and supports changes in the benefit level so that children and their families will have enough to eat each month.

BE IT FURTHER RESOLVED, the Eighteenth General Synod calls upon the Office for Church in Society (OCIS) to monitor and advocate legislative issues related to the above policy matters in Washington, DC.

BE IT FURTHER RESOLVED, the Eighteenth General Synod asks the Office for Church in Society to continue to coordinate relationships with low income community groups involved in partnership efforts to address the above concerns through the related National Up and Out of Poverty Now Campaign, and the Children in Poverty working group.

BE IT FURTHER RESOLVED, the Eighteenth General Synod asks that the United Church Board for Homeland Ministries, the Commission for Racial Justice, and the Coordinating Center for Women in Church and Society continue to relate to groups in poverty for whom such a campaign is concerned, and seek to engage others in the campaign's efforts.

BE IT FURTHER RESOLVED, the Eighteenth General Synod requests that the Hunger Action Program be a coordinating table for the above efforts, as well as the primary body responsible for education, training, and curriculum development regarding the campaign within the United Church of Christ.

BE IT FURTHER RESOLVED, the conferences and local churches of the United Church of Christ be called upon to endorse the campaign to End Childhood Hunger, to continue and expand their partnerships with low-income groups, to develop and/or present educational opportunities for their members about the issues, to engage in advocacy regarding public policies consistent with the campaign, and to communicate their efforts with the Hunger Action Office campaign so helpful models and activities can be shared across the church.

Subject to the availability of funds.

**Testimony of Joe Heiney-Gonzalez, ACSW  
Deputy to the President  
Catholic Charities USA, Alexandria, VA  
before the  
Subcommittee on Department Operations and Nutrition  
Committee on Agriculture**

**Mickey Leland Childhood Hunger Relief Act, H.R. 529**

**April 28, 1993**

Mr. Chairman, members of the Subcommittee, I am Joe Heiney-Gonzalez, representing Catholic Charities USA, the nation's largest, private human service network. We strongly support passage of the Mickey Leland Childhood Hunger Relief Act, H.R. 529. Thank you for inviting us to comment.

In the last congressional session, 10,000 of our members, community volunteers, and clients sent letters supporting the Leland bill to their representatives.

In April 1985, Rev. Thomas J. Harvey, then Catholic Charities USA executive director, joined Representative Mickey Leland in urging Congress to act on a \$1 billion federal food assistance bill that would expand anti-hunger programs such as food stamps and school lunches.

Conditions described by the late Rep. Leland have worsened. Hunger and poverty in America have worsened. As you know, the number of food stamp recipients -- 26.8 million individuals -- is at an all-time high.

We serve over 12 million people a year. Almost 7 million people need food or shelter. They come to Catholic Charities food banks or soup kitchens. Volunteers bring them Meals-on-Wheels.

Ten years ago, two out of ten people who came to Catholic Charities needed food, shelter, or other emergency help. Today, more than six out of ten people need food or shelter. And one-third of them are children.

As a native Texan, I am personally interested in the effect this bill will have on fellow Texans. West Texas has one of the highest rates of teen pregnancy in the United States. The Leland bill will especially help low-income, pregnant teens.

The Leland bill also will allow poor, migrant families to receive food stamps. A high number of farm workers migrate to West Texas to work in the cotton and vegetable crop industry. It is ironic that farm workers who harvest the bounty of this nation's food crops frequently are not eligible for food stamps.

Food banks, such as the South Plains Food Bank in Lubbock, distribute food to hungry families in 80 rural counties. The Leland bill will help rural families as well as urban families.

Voluntary service organizations such as our 1,400 Catholic Charities agencies cannot carry the burden of hunger in this nation by themselves. We are stretched beyond our limits. We are losing ground as the number of hungry families increases.

I urge that the Subcommittee on Department Operations and Nutrition and the full Committee on Agriculture approve H.R. 529. This bill is the most important domestic anti-hunger legislation in over 15 years.

Catholic Charities agencies in the United States have helped people in need for over 200 years. In 1991 Catholic Charities spent more than \$1.8 billion of public, private, and church resources to assist children, families, and communities. This includes \$1.16 billion in government monies. Our untiring commitment to people of all religious, ethnic, social, and economic backgrounds is undisputed and contributes to the common good.

Catholic Charities USA will work with members of Congress, colleague organizations, and all people of good will to eliminate hunger in this nation. Thank you.



AMERICAN PUBLIC WELFARE ASSOCIATION

Kevin W. Concannon, President  
A. Sidney Johnson III, Executive Director

TESTIMONY OF  
MARY K. DEYAMPERT  
DIRECTOR, NORTH CAROLINA DIVISION OF SOCIAL SERVICES

Representing the  
AMERICAN PUBLIC WELFARE ASSOCIATION

Before the  
COMMITTEE ON AGRICULTURE  
SUBCOMMITTEE ON DEPARTMENT OPERATIONS AND NUTRITION

APRIL 28, 1993

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to speak today at this important hearing. I am Mary K. Deyampert, Director of the North Carolina Division of Social Services, and I am representing the American Public Welfare Association's (APWA) National Council of State Human Service Administrators.

APWA is a 63-year-old non-profit, bipartisan organization representing the 50 state human service departments, local public welfare agencies, and individuals. APWA has been a leader in the movement to reform and strengthen the nation's economic security and human service programs for low-income families and individuals.

In 1986 APWA published *One Child in Four*, which presented the state and local human service commissioners' recommendations for comprehensive welfare reform. These recommendations emphasized the need to change assistance programs into vehicles for self-sufficiency for as many recipients as possible. Many of our recommendations were reflected in the Family Support Act, the significant reform of the Aid to Families with Dependent Children (AFDC) and child support enforcement programs passed by strong bipartisan majorities in 1988. The commissioners are now preparing a new set of welfare reform recommendations and look forward to working with the Congress and President Clinton as we continue to advance this important agenda.

In our view the subject of this hearing, the Mickey Leland Childhood Hunger Relief Act, is an essential step forward in strengthening the base of income support upon which so many families must rely. APWA and the human service commissioners have consistently supported the Leland Act since it was first introduced, and we share your hope that 1993 will at last be the year when it becomes law. The need for this legislation has been well known for years and has only been made more urgent by recent studies showing that alarming numbers of America's children are hungry or are at risk of hunger. As administrators we can certainly confirm the growing need for food assistance: since July 1989, food stamp caseloads have grown by 44 percent, and a record 26.83 million Americans now participate in the program.

We are particularly pleased with several specific provisions in the Mickey Leland Act. Certainly one of the most important for us is the simplified household definition, Section 301. This provision would not only enhance access and strengthen benefits for families, but would simplify the unusually complex set of requirements and exceptions in present law that cause substantial difficulty and errors for administrators. These requirements and exceptions were created by a series of legislative attempts in the early 1980s to restrict program access, followed



later by attempts to reverse that direction; the net result was to greatly complicate states' task of determining the correct household grouping for food stamp benefits. Section 301 strips away most of the complicating layers of rules, and is one of the most essential features of the Leland Act. We will work diligently to see that it remains intact as this legislation progresses.

We are also especially pleased with Section 201, exclusion of the first \$50 a month received in child support, which again provides an important benefit and incentive for program participants while removing an extremely troublesome difference between the food stamp and AFDC programs.

Two other provisions of the Act offer improvements that we believe are especially important in meeting the needs of the families we see and in promoting their self-sufficiency. These are Section 101, removal of the cap on shelter expense deductions, and Section 203, the increase in the allowable value of motor vehicles. State administrators have become increasingly alarmed at the incidence of homelessness and other problems faced by low income families in obtaining decent and affordable housing, and believe removal of the shelter cap will ease the housing burden on food stamp participants. We also look forward to the increase in the allowable value of vehicles, which is quite outdated and hurts those families who must have reliable cars to go to and from work.

Mr. Chairman, we very much look forward to passage of the Mickey Leland Act and believe it will greatly strengthen the Food Stamp Program. As a state administrator of this and other assistance programs, I want to take a moment to note how essential to food stamps is the day-to-day administration of these vital programs that occurs in every state and county across the country, carried out by public departments of human services. As I mentioned above, the workload of administering food stamps has surged dramatically; the 44 percent jump in caseloads in the past few years has, unfortunately, come at a period of severe fiscal restraints for state governments, and state resources have been far outstripped by this unprecedented increase in activity. States have had to serve rapidly growing numbers of applicants and recipients within the same constraints of accuracy and timeliness that apply in calmer times, yet many have had to reduce staff or at best freeze personnel at inadequate levels.

This is why we must urge you and the Subcommittee to keep in mind the need for simplifications and reforms that will help us deliver program benefits with the accuracy, timeliness, and attention that participating families deserve. I want to mention briefly several significant administrative changes we believe must be made if we are to be able to continue carrying out this crucial role.

Perhaps the most urgent of these improvements is reform of the food stamp quality control (QC) system. We support the concept of a quality control program and are committed to administering food stamps with accuracy and efficiency. But we believe the present QC system is invalid and unfair, and fails to serve as a management tool for states to improve their programs. Instead QC has come to be a burdensome process that has imposed excessive fiscal penalties on nearly every state in the country. There is widespread agreement with our point of view. The National Academy of Sciences issued a study in 1986 strongly criticizing the assumptions and methodology of the present system. In 1989 Congress enacted extensive reforms of the AFDC QC system (then similar to today's food stamp system), following in large part the Academy's recommendations. Congress has twice dealt with the food stamp QC system in recent years, in 1988 when it changed the target error rate and made other changes and in 1990 when it eliminated some of the back sanctions against states. Legislation was introduced in the House last year by former Rep. Charles Hatcher (H.R. 5439) that would complete the process of reforming food stamp QC, making it similar to the reformed AFDC system.

Another very significant recent development is the agreement reached between states and the Food and Nutrition Service (FNS) early this year to settle the remaining six years (fiscal years 86-91) of back food stamp sanction claims. The agreement stipulated that states would invest in administrative improvements in return for waiver of over \$300 million in back claims. The settlement negotiations occurred because both states and the federal government, we believe, recognize the time has come to put the QC dispute behind us. After initially offering to settle these claims for 35 cents on the dollar, FNS in the end agreed to settle for just 15 cents on the dollar. Even this amount represented a substantial investment for states--some \$45 million--that must be expended in unmatched state dollars. States were willing to take this step so we can move forward on the QC question. We also think the settlement was in the best interest of the federal government; this was a much more effective way to settle the QC sanction issue than continuing the impasse over collection of claims. FNS has over the years collected relatively little money under the present system, only about \$4.86 million for penalties assessed for FYs 81-85.

Your colleague Rep. Jill Long of Indiana has now introduced in this session a bill, H.R. 1195, that is nearly identical to Rep. Hatcher's bill and that can at last complete the process of food stamp QC reform. The bill's major provisions would change the target error rate to a floating national average, assess penalties on a sliding scale so that states greatly exceeding the target are penalized much more severely than states nearly meeting the target, reform statistical procedures in line with the National Academy of Sciences' recommendations, and streamline the

review process so that an independent decision-maker, an administrative law judge, will have the authority to review all the evidence of a state's case including good cause criteria. These changes would conform food stamp QC in most respects to the reforms enacted for AFDC QC in 1989 and to the principles supported by the National Academy of Sciences study. As a transition to the new system, Rep. Long's bill also removes any sanctions that will be assessed against states for fiscal year 92, which will soon be announced.

We urge you and the full Agriculture Committee to support H.R. 1195 and to take steps to enact this legislation as part of a comprehensive, complete package of food stamp improvements. The Leland Act would provide badly need benefit improvements, but these can be effectively delivered at the state level only with corresponding administrative improvements.

Another extremely important administrative need is substantial simplification of present food stamp administrative requirements and alignment of those requirements, where appropriate, with those of the AFDC program. Food stamps interacts closely with AFDC since most persons participating in one program participate in the other, and most states now administer the programs together.

While the Leland Act would achieve several important parts of the states' simplification and coordination agenda, there is far more that must be done. APWA has issued many proposals to simplify and conform the food stamp and AFDC programs. Our most recent effort was concluded in December 1992, when we published an analysis of 57 significant differences between AFDC and food stamps and made legislative or regulatory recommendations to change and simplify most of these differences. As chair of the work group that issued these proposals, I can attest to the time and thought that have gone into these proposals, and to the wide range of input we sought and received from policymakers and program advocates.

While our recommendation package as a whole would incur some program costs, we contend that administrative savings from its implementation would be significant. But the majority of our proposals either have minimal budget impact, have no cost at all, or even save money. It is to this group in particular that we ask your Subcommittee to give immediate consideration. The most urgent administrative recommendations we have identified would simplify the application process, reduce requirements to process changes and recalculate budgets, align and simplify both programs' treatment of income and deductions, overhaul the recertification and redetermination process, and align the two programs' treatment of resources.

The detailed text of our recommendations on this urgent issue was shared some months ago with members of your staff, and is attached for your reference to our testimony submitted for the record. Again, we strongly urge you to give serious consideration to at least those portions of our recommendations that require no new funding, and hope you will enact these proposals this year as part of a comprehensive package of program improvements.

While not part of the attached recommendations, state administrators have recently identified several technical administrative improvements we would suggest for a few provisions of the Leland Act. Our suggestions would not alter the substance of the provisions in question. The provisions include Section 202, Child Support Payments to Non-Household Members, and Section 204, Improving Access to Employment and Training Activities. We will be happy to discuss these suggestions in detail with your staff.

Before I close I must mention our concern that many share over the demise of the House Select Committee on Hunger, and our strong recommendation that the Congress establish some other forum that focuses exclusively on hunger, such as a special task force. We do urge in any case your Subcommittee to continue paying special attention to both domestic and international hunger, and to continue its strong record of addressing this vital issue.

Mr. Chairman, thank you again for this opportunity to present our views today. We commend you and the Subcommittee for taking up this extremely important legislation and hope you will give it your prompt and full approval. The nation's public human service commissioners stand ready to work with you to assure enactment of this bill. I will be pleased to answer any questions you may have.

(Attachment follows:)

APMA TASK FORCE ON PROGRAM COORDINATION  
\*Revised Recommendation\*

minimal budgetary impact savings if AFDC conforms to FSP  
benefit estimated to be available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHANGE REQUIRED	FSP COST \$(M)	AFDC COST \$(M)	STATUS SAM DIEGL
1. ADMINISTRATIVE WAIVER AUTHORITY	<p>DEMONSTRATION WAIVER AUTHORITY PROVIDED IN STATUTE. THERE IS NO ADMINISTRATIVE WAIVER AUTHORITY SIMILAR TO THAT IN THE FOOD STAMP PROGRAM.</p>	<p>7 CFR 272.3(c) ALLOWS WAIVERS OF REGULATORY PROVISIONS FOR EXTRAORDINARY TEMPORARY SITUATIONS, MORE EFFECTIVE AND EFFICIENT ADMINISTRATION OF THE PROGRAM, OR UNIQUE GEOGRAPHIC OR CLIMATIC CONDITIONS.</p>	<p>(1) SUPPORT THE EFFORT OF THE ADMINISTRATION FOR CHILDREN AND FAMILIES TO AMEND 45 CFR TO PERMIT APPROVAL OF ADMINISTRATIVE WAIVERS. (2) AMEND FOOD STAMP ACT TO CONFORM WITH AFDC DEMONSTRATION WAIVER AUTHORITY.</p>	<p>1) ACCEPTED RECOMMENDATION, EXCEPT VOTED TO MAINTAIN FSP AVERAGE BENEFIT LEVEL. *2) APMA TO DISCUSS WITH ADVOCATES. WILL BE DROPPED IF ADVOCATES CONTINUE TO OPPOSE RECOMMENDATION.</p>	REC	\$	\$	<p>PROPOSED ACT WAIVER RETURNED BY OMB FOR SUBSTANTIAL CHANGE. ACT MAY RESUBMIT FOR CONSIDERATION BY NEW ADMINISTRATION.</p>
2. APPLICATION PROCESS: ALIEN/CITIZENSHIP DECLARATION	<p>EACH ADULT MUST ATTEST TO HIS/HER ALIEN OR CITIZENSHIP STATUS. ADULT MAY SIGN FOR ALL CHILDREN.</p>	<p>EACH ADULT MUST ATTEST TO THE APPLICATION FORM MUST INCLUDE A STATEMENT TO BE SIGNED BY ONE ADULT HOUSEHOLD MEMBER CERTIFYING THAT THE INFORMATION IN THE INCLUDING INFORMATION ABOUT THE CITIZENSHIP OR ALIEN STATUS OF HOUSEHOLD MEMBERS.</p>	<p>AMEND SOCIAL SECURITY ACT TO ELIMINATE REQUIREMENT THAT EACH ADULT SIGN DECLARATION.</p>	<p>ACCEPTED RECOMMENDATION.</p>	LAW	N/A	\$	<p>ALIEN DECLARATION PROVISION WAS IN HR 11 AND WILL BE INTRODUCED AGAIN.</p>

APMA TASK FORCE ON PROGRAM COORDINATION  
 Revised Recommendation  
 minimal budgetary impact - savings if AFDC conforms to FSP  
 benefit estimated if not available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHANGE REQUIRED	FSP COST \$(M)	AFDC COST \$(M)	STATUS POLICY
3. APPLICATION PROCESS: APPLICATION FORM	THE AGENCY SHALL REQUIRE A WRITTEN APPLICATION, SIGNED UNDER PENALTY OF PERJURY, ON A FORM PRESCRIBED BY THE STATE, FROM THE APPLICANT OR AUTHORIZED REPRESENTATIVE.	ACT CONTAINS SPECIFIC REQUIREMENTS FOR APPLICATIONS. CONTENT, MANDATES USE OF A SIMPLIFIED, UNIFORM NATIONAL FORM OR APPROVED SUBSTITUTE, AND REQUIRES A COMBINED APPLICATION FOR PA HOUSEHOLDS AND GA HOUSEHOLDS IF STATE HAS STATEWIDE GA APPLICATION FORM.	FBS AND ACP JOINTLY DEVELOP A GENERIC RIGHTS AND RESPONSIBILITIES DOCUMENT. AMEND FOOD STAMP ACT TO ELIMINATE REQUIREMENTS FOR SPECIFIC APPLICATION LANGUAGE AND REQUIREMENT THAT STATE AGENCIES USE APPLICATION APPROVED BY FBS.	ACCEPTED RECOMMENDATION, SUBJECT TO ADDITIONAL STATE COMMENTS ON PROPOSED LANGUAGE.	LAW	0	0	FBS AND ACP DEVELOPED EASY-TO-READ STATEMENTS OF RIGHTS AND RESPONSIBILITIES THAT ARE GENERIC TO THE EXTENT POSSIBLE.
4. APPLICATION PROCESS: DELAY PROCEDURES	NO CORRESPONDING REQUIREMENT.	REGULATIONS PROVIDE DETAILED PROCEDURES AGENCY MUST FOLLOW IF HOUSEHOLD'S ELIGIBILITY IS NOT DETERMINED WITHIN 30 DAYS AFTER APPLICATION.	FOOD STAMPS SHOULD CONFORM WITH AFDC.	ACCEPTED RECOMMENDATION.	REG	0	N/A	SEE PROCESSING STANDARDS.
5. APPLICATION PROCESS: PROCESSING STANDARDS	A DECISION MUST BE REACHED WITHIN STATE-SET STANDARDS, NOT TO EXCEED 45 DAYS. STATES MUST PROVIDE BENEFITS FROM THE DATE OF EARLIER OF THE DATE OF AUTHORIZATION OR 30 DAYS FROM APPLICATION. THEY MAY PROVIDE PRIORATED BENEFITS FROM THE DATE OF APPLICATION.	CLIENTS MUST RECEIVE BENEFITS RETROACTIVE TO THE DATE OF APPLICATION WITHIN 30 DAYS OF PROCESSING AND WITHIN 5 DAYS FOR EXPEDITED SERVICE.	*ALLOW STATES TO DENY APPLICATION IF HOUSEHOLD DOES NOT PROVIDE REQUESTED VERIFICATION WITHIN 10 DAYS.	ACCEPTED RECOMMENDATION TO HAVE FBS MAKE AVAILABLE TO STATES THE OPTION TO DENY CASE AFTER 10 DAYS IF REQUESTED VERIFICATION IS NOT RECEIVED. REINSTATEMENT REQUIRED IF NH COMPLIES.	REG	0	N/A	

APWA TASK FORCE ON PROGRAM COORDINATION

\*Revised Recommendation

minimal budgetary impact co-savings if AFDC conforms to FSP  
 but not estimated sheet available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHANGE REQUIRED	FSP REQUIRED	AFDC COST	STATUS
						9(4)	9(4)	SAN DIEGO N/A

6. APPLICATION PROCESS: SCHEDULING SECOND INTERVIEW

CLIENTS MUST BE NOTIFIED ORALLY AND IN WRITING OF RIGHTS AND RESPONSIBILITIES. THERE IS NO REQUIREMENT FOR THE AGENCY TO RESCHEDULE A MISSED INTERVIEW.

REGULATIONS REQUIRE AGENCY TO RESCHEDULE INTERVIEW IF CLIENT DOES NOT APPEAR FOR THE ONE ORIGINALLY SCHEDULED.

ELIMINATE REQUIREMENT TO SCHEDULE SECOND APPOINTMENT.

REG 0 N/A

7. APPLICATION PROCESS: VERIFICATION

INCOME MUST BE VERIFIED THROUGH IEVS, SOCIAL SECURITY NUMBERS THROUGH SSA, AND ALIEN DOCUMENTS THROUGH SAVE. STATES MAY ESTABLISH OTHER VERIFICATION REQUIREMENTS. DECISIONS RE ELIGIBILITY OR INELIGIBILITY MUST BE SUPPORTED BY FACTS IN THE CASE RECORD.

IN ADDITION TO REQUIRED VERIFICATION THROUGH IEVS AND SAVE, REGULATION MANDATE VERIFICATION OF INCOME, ALIEN STATUS, UTILITY AND MEDICAL EXPENSES (WHEN ACTUAL IS CLAIMED), SSN, IDENTITY, RESIDENCY, DISABILITY, AND HOUSEHOLD COMPOSITION (IF QUESTIONABLE)

SIMPLIFY VERIFICATION REQUIREMENTS SO STATES CAN DECIDE WHAT TO VERIFY. MAKE USE OF IEVS AND SAVE OPTIONAL.

LAW 9-3 0

8. BUDGETING (PROSPECTIVE): BEST ESTIMATE/ANTICIPATING INCOME

USES BEST ESTIMATE OF INCOME AND CIRCUMSTANCES BASED ON THE AGENCY'S REASONABLE EXPECTATION AND KNOWLEDGE OF CURRENT, PAST AND FUTURE CIRCUMSTANCES. INTERMITTENT INCOME MAY BE PRORATED.

INCOME RECEIVED DURING THE PAST 30 DAYS IS USED AS AN INDICATOR OF FUTURE INCOME, WITH SPECIFIED EXCEPTIONS. IF THE AMOUNT OF INCOME ON DATE THAT IT WILL BE RECEIVED IS UNCERTAIN, IT IS NOT USED. HOUSEHOLDS MAY ELECT TO HAVE INCOME AVERAGED.

ADOPT AFDC POLICY FOR FSP. AFDC POLICY IS LESS ERROR-PRONE AND ALLOWS WORKERS MORE FLEXIBILITY.

REG 0 N/A

SEE ALSO REPORT-REQUIREMENTS.

ACCEPTED RECOMMENDATION, SUBJECT TO ADDITIONAL STATE COMMENTS ON PROPOSED LANGUAGE.

APWA TASK FORCE ON PROGRAM COORDINATION  
 Revised Recommendation  
 minimal budgetary impact savings if AFDC conforms to FSP  
 but estimated cost available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHANGE REQUIRED	FSP COST \$(M)	AFDC COST \$(M)	STATUS FOR SAN DIEGO HE.
9. BUDGETING (RETROSPECTIVE): INCOME FROM A TERMINATED SOURCE	INCOME RECEIVED IN THE BEGINNING MONTHS FROM A NONCONTINUOUS SOURCE WHICH WAS COATED PROSPECTIVELY IS DISREGARDED IN THE FIRST AND SECOND MONTHS OF RETROSPECTIVE BUDGETING. THE DISREGARD DOES NOT APPLY IF INCOME IS RECEIVED AGAIN FROM A SIMILAR SOURCE.	INCOME RECEIVED IN BEGINNING MONTHS FROM A TERMINATED SOURCE WHICH WAS COATED PROSPECTIVELY IS DISREGARDED FOR THE FIRST AND SECOND MONTHS OF RETROSPECTIVE BUDGETING. THE DISREGARD DOES NOT APPLY UNLESS INCOME WAS RECEIVED AGAIN FROM THE SAME FUNDING SOURCE.	DIFFERENCE NO LONGER EXISTS. (P/S COMMENT: MAJOR DIFFERENCE IN LENGTH OF DISREGARD NO LONGER EXISTS. THERE IS A MINOR DIFFERENCE IN THE DEFINITION OF WHAT CONSTITUTES A TERMINATED SOURCE.)	DROPPED.		0	0	
10. BUDGETING (RETROSPECTIVE): SUSPENSION	IF INELIGIBILITY WILL BE FOR ONE MONTH ONLY, ASSISTANCE MAY BE SUSPENDED IN THE PAYMENT MONTH BASED ON INCOME AND CIRCUMSTANCES IN THE BUDGET MONTH. UNIT MUST GENERALLY BE BUDGETED RETROSPECTIVELY THE MONTH AFTER AFTER SUSPENSION.	REGULATIONS GIVE STATES OPTION OF SUSPENDING HOUSEHOLDS PROSPECTIVELY IF INELIGIBILITY WILL EXIST FOR ONE MONTH ONLY. HOUSEHOLDS MUST BE BUDGETED RETROSPECTIVELY THE MONTH AFTER AFTER SUSPENSION.	IN BOTH PROGRAMS SUSPEND RETROSPECTIVELY IF THERE IS A ONE-TIME CHANGE IN INCOME WHICH CAUSES INELIGIBILITY. CONTINUE RETROSPECTIVE BUDGETING CYCLE UNLESS THERE IS A CHANGE WHICH BY LAW OR STATE OPTION CAUSES PROSPECTIVE BUDGETING.	ACCEPTED RECOMMENDATION.	REG	0	0	RETROSPECTIVE SUSPENSION INCLUDED IN DRAA FSP SIMPLIFICATION RULE.
11. BUDGETING: CONVERTING INCOME TO MONTHLY AMOUNT	NO PROVISION, BUT STATES MAY USE CONVERSION IN CALCULATING A BEST ESTIMATE FOR CONSISTENCY WITH FOOD STAMPS.	INCOME RECEIVED WEEKLY MAY BE MULTIPLIED BY 4.3 AND BIWEEKLY INCOME BY 2.15 TO ARRIVE AT A MONTHLY FIGURE, OR THE STATE'S PUBLIC ASSISTANCE CONVERSION FACTOR MAY BE USED.	AMEND AFDC REGULATION TO MAKE CONVERSION FACTORS CONSISTENT WITH FSP REGULATIONS.	DROPPED.		0	0	DROPPED BECAUSE STATES CAN USE CONSISTENT PROCEDURES WITH REGULATION.



## APWA TASK FORCE ON PROGRAM COORDINATION

revised recommendation

minimal budgetary impact savings if AFDC conforms to FSP  
 but estimated possible savings at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TAFEP FORLE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHANGE REQUIRED	FSP COST \$ (M)	AFDC COST \$ (M)	STA. SAM DIEGL
12. BUDGETING: PROMOTION OF CONTRACT AND SELF-EMPLOYMENT INCOME	ALLOWS STATES TO AVERAGE OR PRORATE CONTRACT INCOME OVER THE PERIOD OF THE CONTRACT AND SELF-EMPLOYMENT INCOME OVER THE PERIOD THE INCOME COVERS.	REQUIRES ANNUALIZING CONTRACT AND SELF-EMPLOYMENT INCOME IN A PERIOD SHORTER THAN ONE YEAR IF IT IS THE HOUSEHOLD'S ANNUAL INCOME. IF INCOME IS NOT THE HOUSEHOLD'S ANNUAL INCOME, IT IS PRORATED OVER THE PERIOD IT IS INTENDED TO COVER.	NO DISCREPANCY EXISTS BECAUSE AFDC REGULATIONS ALLOW INCOME TO BE PRORATED OVER THE PERIOD THE CONTRACT COVERS OR COUNTED IN THE MONTH IT IS RECEIVED.	NO CHANGE IN CURRENT REGULATIONS IS NEEDED.	n/a	n/a	n/a	
13. CHANGES: EFFECTIVE DATE	CHANGE THAT RESULTS IN OVERPAYMENT OR UNDERPAYMENT IN THE MONTH OF THE CHANGE.	EFFECTIVE DATE DEPENDS ON TIME FRAMES FOR REPORTING AND ACTING ON CHANGES.	AFDC SHOULD CONFORM TO FSP POLICY ON EFFECTIVE DATE. APPLY TO BOTH PROSPECTIVE AND RETROSPECTIVE BUDGETING.	ACCEPTED RECOMMENDATION.	REG	\$5c	\$-17	
14. CHANGES: REPORTING AND BUDGETING REQUIREMENTS	MONTHLY REPORTING IS OPTIONAL. HOUSEHOLDS NOT REQUIRED TO REPORT MONTHLY MUST BE BUDGETED PROSPECTIVELY UNLESS WAIVER HAS BEEN GRANTED FOR CONSISTENCY WITH FSP.	MONTHLY REPORTING IS OPTIONAL, BUT PROHIBITED FOR CERTAIN CATEGORIES OF HOUSEHOLDS THAT MUST BE BUDGETED PROSPECTIVELY. OTHER HOUSEHOLDS NOT REQUIRED TO REPORT MONTHLY MAY BE BUDGETED PROSPECTIVELY OR RETROSPECTIVELY.	CHANGE AFDC LEGISLATION TO ALLOW MONTHLY REPORTING HOUSEHOLDS TO BE BUDGETED RETROSPECTIVELY.	ACCEPTED RECOMMENDATION.	LAW	n/a	0	USAS IN NR 11.

APWA TASK FORCE ON PROGRAM COORDINATION

Revised Recommendation  
Additional budgetary impact e-savings if AFDC conforms to FSP  
best estimated sheet available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHANGE REQUIRED	FSP REQUIRED	AFDC COST	STATUS FOR SAN DIEGO REL.
					REG	a	b	8(N)
15. CHANGES: NOTICE OF ADVISORY ACTION	ADVANCE NOTICE NOT REQUIRED WHEN, AMONG OTHER REASONS, MAIL IS RETURNED WITHOUT A FORWARDING ADDRESS.	NOTICE OF ADVISORY ACTION REQUIRED BY 7 CFR 279.13 NOT REQUIRED WHEN, AMONG OTHER REASONS, THE HOUSEHOLD VOLUNTARILY REQUESTS IN THE PRESENCE OF A CASEWORKER THAT ITS PARTICIPATION BE TERMINATED.	CONFORM TO FSP POLICY RE TOLL-FREE NUMBER AND LEGAL AID REFERRAL ON NOTICE, MAIL CHANGES, AND VOLUNTARY TERMINATION OF PARTICIPATION. CONFORM TO AFDC POLICY RE RETURNED MAIL.	COMMITTEE RECOMMENDED DROPPING ISSUE OF TOLL-FREE NUMBER AND LEGAL AID INFO. ACCEPTED OTHER RECOMMENDATIONS.	REG	a	b	8(N)
16. CHANGES: REPORTING REQUIREMENTS	RECIPIENTS MUST REPORT PROMPTLY ALL CHANGES IN INCOME, RESOURCES AND OTHER CIRCUMSTANCES AFFECTING ELIGIBILITY OR BENEFITS AS THEY BECOME AWARE OF THEM AND ALSO ON MONTHLY REPORT IF MONTHLY REPORTING IS REQUIRED.	MONTHLY REPORTING HOUSEHOLDS NEED NOT REPORT CHANGES OUTSIDE MONTHLY REPORT FORM. CHANGE REPORTERS MUST REPORT CHANGES IN INCOME AND MEDICAL EXPENSES OF MONTHLY MORE THAN \$25. HOUSEHOLD COMPOSITION, RESIDENCE, LIQUID RESOURCES, AND VEHICLES WITHIN 10 DAYS.	*HOUSEHOLD/ASSISTANCE UNITY CHANGES IN SOURCE OF INCOME, RATE OF PAY, EMPLOYMENT STATUS, CHANGE OF ADDRESS, HOUSEHOLD/UNIT COMPOSITION. CHANGE AFDC REGULATIONS TO REQUIRE MONTHLY REPORTERS TO REPORT CHANGES ONLY ON MONTHLY REPORT.	ACCEPTED RECOMMENDATIONS.	REG	d	b	
17. CHANGES: SUPPLEMENTAL BENEFITS FOR NEW MEMBERS	NEW PERSON IS TREATED AS AN APPLICANT AND ADDED THE DATE HE/SHE ENTERED THE HOUSEHOLD ON DATE DETERMINED ELIGIBLE. SUPPLEMENTAL BENEFITS ARE ISSUED.	SUPPLEMENTAL BENEFITS MAY BE ISSUED FOR A NEW MEMBER IN MONTH OF REPORTED CHANGE UNDER PROSPECTIVE BUDGETING. SUPPLEMENTAL BENEFITS MAY NOT BE ISSUED UNDER RETROSPECTIVE BUDGETING FOR MONTH OF CHANGE, BUT ALL OTHERS MAY BE INCREASED IF NOT ALREADY ISSUED.	*CONFORM AFDC TO FOOD STAMP POLICY.	ACCEPTED RECOMMENDATION.	REG	<del>a</del> c	d	

APMA TASK FORCE ON PUBLIKER ADMINISTRATION  
 Revised Recommendation  
 Minimal budgetary impact - Savings if AFDC conforms to FSP  
 Date: estimated - not available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHANGE REQUIRED \$ (M)	FSP COST \$ (M)	AFDC COST \$ (M)	STATUS	DATE
18. DEDUCTIONS: DEPENDENT CARE	FOR FULLTIME WORKERS AND JOBS PARTICIPANTS: ACTUAL COSTS UP TO \$175 PER MO. PER DEPENDENT CHILD 2 AND OVER OR INCAPACITATED ADULT LIVING IN SAME HOME AND RECEIVING AFDC AND UP TO \$200 PER MO. PER CHILD UNDER 2. STATE MAY SET LESSER AMOUNT FOR PARTTIME.	ACTUAL NOT TO EXCEED \$160 PER CHILD OR OTHER DEPENDENT WHEN CARE IS NEEDED TO ACCEPT OR CONTINUE EMPLOYMENT OR TRAINING OR EDUCATION THAT IS PREPARATORY TO CHILD EMPLOYMENT.	SET LIMITS AT \$175 PER INDIVIDUAL (\$200 FOR CHILDREN UNDER TWO). ALLOW DEDUCTION FOR SEEKING EMPLOYMENT, OR ATTENDING TRAINING OR SCHOOL. SUBTRACT DEDUCTION FROM HOUSEHOLD OR UNIT'S INCOME AFTER OTHER DEDUCTIONS HAVE BEEN SUBTRACTED.	DECIDED TO DELETE LAST SENTENCE. RECOMMENDED THAT AFDC CARDS FOR DEPENDENT CARE BE USED AND DEDUCTION BE ALLOWED FROM UNEARNED INCOME FOR TRAINING/EDUCATION IN BOTH PROGRAMS.	\$1	\$1	b	PMS TO DETERMINE COST IMPACT OF THIS CHANGE.	
19. DEDUCTIONS: EARNED INCOME DEDUCTION	DISREGARDS \$90 OF INDIVIDUAL'S EARNINGS. \$30 AND ONE-THIRD OF REMAINDER DISREGARDED IN 4 CONSECUTIVE MONTHS. OTHER \$30 DISREGARDED IN 8 CONSECUTIVE MONTHS. NOT ALLOWED AGAIN UNTIL PERSON OFF AFDC FOR 12 CONSECUTIVE MONTHS.	DEDUCTS 20 PERCENT OF ALL EARNINGS.	"DEDUCT PERCENT OF GROSS EARNED INCOME IN ANY MONTH THE HOUSEHOLD OR ASSISTANCE UNIT HAD EARNINGS AS EARNED INCOME DEDUCTION IN BOTH PROGRAMS. ALSO USE PERCENT OF EARNINGS AS BASIS FOR ANY INCENTIVE PAYMENTS.	ACCEPTED THRUST OF RECOMMENDATION. ISSUE OF 30 & 1/3 IN AFDC TO BE FORWARDED TO APMA TASK FORCE ON SELF-SUFFICIENCY FOR CONSIDERATION. GROUP SPECIALLY LIKES 25% FLAT DEDUCTION.	b	b	b		
20. DEDUCTIONS: EARNED INCOME DEDUCTION PENALTY	\$90, \$30 AND ONE-THIRD, DEPENDENT CARE DISREGARDS OVERISSUANCE, EARNED INCOME DEDUCTION IS NOT ALLOWED IF INDIVIDUAL VOLUNTARILY QUIT OR FAILED TO ACCEPT JOB, RETURN MONTHLY REPORT TIMELY, OR REQUESTED TERMINATION TO AVOID RECEIVING \$30 AND ONE-THIRD DISREGARD FOR 4 CONSECUTIVE MONTHS.	WHEN CALCULATING OVERISSUANCE, EARNED INCOME DEDUCTION IS NOT ALLOWED ON PORTION OF EARNED INCOME HOUSEHOLD MEMBER WILLFULLY FAILED TO REPORT.	DO NOT ALLOW EARNED INCOME DEDUCTION IN ANY MONTH THE HOUSEHOLD OR ASSISTANCE UNIT, WHETHER THROUGH INTENTIONAL PROGRAM VIOLATION OR INADVERTENT CLIENT ERROR, DISALLOWANCE AFFECTS CALCULATION OF OVERPAYMENTS, NOT BENEFITS.	ACCEPTED RECOMMENDATION.	LAW	5-1	b		

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3/8/93

APMA TASK FORCE ON PROGRAM COORDINATION  
 Revised Recommendation  
 minimal budgetary impact - savings if AFDC conforms to FSP  
 based estimated dollar available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHANGE REQUIRED	FSP COST \$ (M)	AFDC COST \$ (M)	STATUS TO: SAN DIEGO WEL
21. DEDUCTIONS: EXCESS MEDICAL DEDUCTION	W/A	A DEDUCTION IS ALLOWED FOR THAT PORTION OF MEDICAL EXPENSES IN EXCESS OF \$35 PER MONTH INCURRED BY ANY HOUSEHOLD MEMBER WHO IS ELDERLY OR DISABLED.	AUTHORIZE A TWO-TIERED STANDARD FOR EACH STATE TO BE CALCULATED BY EACH STATE AND APPROVED BY FMS.	*AGREED TO RECOMMEND THAT MEDICAL DEDUCTION BE ELIMINATED AND THAT HOUSEHOLDS ADVERSELY AFFECTED BE COMPENSATED BY OTHER CHANGE, POSSIBLY IN MINIMUM BENEFIT LEVEL.	LAW	\$ -57	n/a	
22. DEDUCTIONS: STANDARD SHELTER DEDUCTION	W/A	A DEDUCTION IS ALLOWED FOR ACTUAL SHELTER EXPENSES IN EXCESS OF 50 PERCENT OF THE HOUSEHOLD'S NET INCOME UP TO AN ANNUALLY UPDATED CAP, CURRENTLY SET AT \$194. HOUSEHOLDS CONTAINING AN ELDERLY OR DISABLED MEMBER ARE NOT SUBJECT TO THE CAP.	*ELIMINATE THE REQUIREMENT TO REPORT CHANGES IN SHELTER DURING THE CERTIFICATION PERIOD. LET EACH STATE DEVELOP A STANDARD SHELTER EXPENSE USING FMS-DEVELOPED GUIDELINES. HOUSEHOLD WOULD VERIFY TO GET ACTUAL IF HIGHER.	ACCEPTED RECOMMENDATION RE NO REQUIRED REPORTING OF CHANGES IN SHELTER DURING CERT PERIOD. RECOMMENDED FMS ALLOW STATES TO CONDUCT DEMO PROJECTS USING STANDARD SHELTER EXPENSE.	LAW	d	n/a	DE, CA, MD, AL, TO DEVELOP PROPOSAL FOR DEMONSTRATION PROJECT.

APWA TASK FORCE ON PROGRAM COORDINATION  
 \*Revised Recommendation  
 minimal budgetary impact - savings if AFDC conforms to FSP  
 -not estimated -not available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHANGE REQUIRED	FSP COST \$(M)	AFDC COST \$(M)	STA. SAN DIEGO	ACE AND FHS TO EXPLORE COMMITTEE REQUEST TO CLASSIFY ALIENS BY TYPE OF DOCUMENTATION.
23. ELIGIBILITY: ALIEN STATUS	ALLOWS PARTICIPATION BY ALIENS ADMITTED FOR PERMANENT RESIDENCE OR PERMANENTLY RESIDING UNDER COLOR OF LAW (PRUCOL).	FOOD STAMP ACT LIMITS THOSE ADMITTED UNDER SPECIFIED SECTIONS OF THE IMMIGRATION AND NATIONALITY ACT.	ADOPT AFDC PRUCOL PROVISION FOR FSP.	ACCEPTED RECOMMENDATION.	LAW	0	0/0	ACE AND FHS TO EXPLORE COMMITTEE REQUEST TO CLASSIFY ALIENS BY TYPE OF DOCUMENTATION.	
24. ELIGIBILITY: CERTIFIED UNIT	ASSISTANCE UNIT CONSISTS OF DEPENDENT CHILDREN UNDER 18 (OR 18 IF IN SCHOOL AND WILL FINISH BEFORE 19) DEPRIVED OF PARENTAL SUPPORT AND LIVING IN THE HOME OF THE PARENT OR SPECIFIED RELATIVES. THE NEEDS, INCOME AND RESOURCES OF ALL IN UNIT ARE INCLUDED.	HOUSEHOLD USUALLY CONSISTS OF PERSONS WHO PURCHASE AND PREPARE MEALS TOGETHER. PARENTS AND CHILDREN AND SIBLINGS MAY NOT BE SEPARATE HOUSEHOLDS UNLESS THE PARENT OR SIBLING IS OVER 60 OR DISABLED OR THE CHILD OR SIBLING HAS A MENTAL ILLNESS.	RECOMMENDS NO CHANGE IN DEFINITIONS OF CERTIFIED UNIT BECAUSE OF FUNDAMENTAL DIFFERENCES IN THE PROGRAMS. POSSIBLE ANSWER WOULD BE USE OF STANDARDIZED ALLOTMENTS FOR JOINT FSP/AFDC HOUSEHOLDS.	ACCEPTED RECOMMENDATION.	LAW	0/0	0/0	ACE AND FHS TO EXPLORE COMMITTEE REQUEST TO CLASSIFY ALIENS BY TYPE OF DOCUMENTATION.	
25. ELIGIBILITY: CHILD SUPPORT ASSIGNMENT AND COOPERATION	ASSIGNING TO THE STATE AGENCY ANY RIGHTS TO CHILD OR SPOUSAL SUPPORT AND COOPERATING WITH THE CHILD SUPPORT COLLECTION AGENCY IN ESTABLISHING PATERNITY AND OBTAINING SUPPORT PAYMENTS ARE CONDITIONS OF ELIGIBILITY.	NO COMPARABLE PROVISION.	CHILD SUPPORT COOPERATION SHOULD BE STATE OPTION. SAME GOOD CAUSE CRITERIA AS AFDC. DISREGARD FIRST \$50 OF CHILD SUPPORT. PROVIDE FEDERAL FINANCIAL INCENTIVES AND FFP AT CHILD SUPPORT FFP LEVEL. WAIVE INITIAL FEE.	ACCEPTED RECOMMENDATION THAT IN FSP-1) FAMILIES BE ENCOURAGED TO COOPERATE WITH CHILD SUPPORT. 2) OPPOSE LEGISLATION TO REQUIRE COOPERATION WITH CHILD SUPPORT. 3) DISREGARD \$50.	LAW	0/0	0/0	ACE AND FHS TO EXPLORE COMMITTEE REQUEST TO CLASSIFY ALIENS BY TYPE OF DOCUMENTATION.	

APMA TASK FORCE ON PROGRAM COORDINATION  
Revised Recommendation

additional budgetary impact savings if APDC conforms to FSP  
budget estimated prior available at time of printing

ISSUE	APDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTED ACTION	CHANGE REQUIRED	FSP COST (\$/M)	APDC COST (\$/M)	STATUS FOR SAN DIEGO MEET
26. ELIGIBILITY: POTENTIAL SOURCES OF INCOME	AGENCY MUST ESTABLISH AND CARRY OUT POLICIES WITH REFERENCE TO APPLICANTS' AND RECIPIENTS' POTENTIAL SOURCES OF INCOME THAT CAN BE DEVELOPED TO A STATE OF AVAILABILITY.	THERE IS NO REQUIREMENT THAT APPLICANTS OR OTHER ASSISTANCE AS A CONDITION OF ELIGIBILITY.	REVISED POSITION PAPER RECOMMENDED LEGISLATIVE CHANGE TO FOOD STAMP ACT TO ENCOURAGE, BUT NOT REQUIRE, APPLICANTS TO APPLY FOR OTHER POTENTIAL SOURCES OF INCOME. NO CONSENSUS WAS REACHED ON THIS ISSUE.	CONSENSUS NOT REACHED.		N/A	N/A	DROP FOR NOW.
27. ELIGIBILITY: RESIDENCY REQUIREMENT	ASSISTANCE UNIT MUST RESIDE IN THE STATE, BUT THERE IS NO DURATIONAL REQUIREMENT.	HOUSEHOLD MUST RESIDE IN THE PROJECT AREA IN WHICH IT APPLIES, BUT THERE IS NO DURATIONAL REQUIREMENT.	FS ACT IS FLEXIBLE ENOUGH TO ALLOW STATES TO CONFORM FOOD STAMP POLICY TO APDC POLICY WITHOUT A REGULATORY CHANGE. CURRENT REGULATIONS SHOULD REMAIN IN PLACE SO AS NOT TO PENALIZE STATES THAT DO NOT HAVE SISTERS NEEDED TO IMPLEMENT POLICY.	ACCEPTED RECOMMENDATION.	REG 8	0	N/A	OPTION FOR STATE RESIDENCY IN PROPOSED FSP SIMPLIFICATION RULE.
28. ELIGIBILITY: SOCIAL SECURITY NUMBERS	APPLICANT MUST PROVIDE SSN OR APPLY FOR ONE.	APPLICANT MUST PROVIDE NUMBER OR APPLY FOR ONE, BUT GOOD CAUSE ALLOWED FOR FAILURE TO APPLY.	CHANGE APDC REGULATIONS TO INCLUDE FSP GOOD CAUSE CRITERIA.	LEAVE EACH PROGRAM AS IS.		N/A	N/A	DROPPED.
29. ELIGIBILITY: STRIKER DEFINITION	FAMILY INELIGIBLE IF ANY CARETAKER RELATIVE IS PARTICIPATING IN A STRIKE ON THE LAST DAY OF THE MONTH. INDIVIDUAL'S NEEDS NOT INCLUDED IF INDIVIDUAL IS ON STRIKER REGISTERATION THE DAY PRIOR TO THE STRIKE.	HOUSEHOLD IS INELIGIBLE IF ANY MEMBER IS ON STRIKE UNLESS THE HOUSEHOLD WAS ELIGIBLE PRIOR TO THE STRIKE OR THE STRIKING MEMBER WAS EXEMPT FROM WORK REGISTERATION THE DAY PRIOR TO THE STRIKE.	*ELIMINATE STRIKER PROVISIONS. STRIKER ELIGIBILITY WOULD BE DETERMINED ON SAME BASIS AS THAT OF OTHER APPLICANTS' RECIPIENTS.	ACCEPTED RECOMMENDATION. ISSUE WILL BECOME HIGH PRIORITY IF COST IS HIGH.	LAW	\$56	0	

## ALPHA TASK FORCE ON PROGRAM COORDINATION

\*Revised Recommendation  
 minimal budgetary impact savings if AFDC conforms to FSP  
 budget estimated date available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHARGE REQUIRED COST \$ (R)	FSP COST \$ (R)	AFDC COST \$ (R)	EST. SAV. DOLL.
30. ELIGIBILITY: STUDENTS	NO RESTRICTIONS ON STUDENT ELIGIBILITY IN ADDITION TO THOSE FOR OTHER INDIVIDUALS.	STUDENTS MUST MEET SPECIFIC ELIGIBILITY CRITERIA IN ADDITION TO THOSE WHICH APPLY TO OTHER INDIVIDUALS.	WAIVE STUDENT ELIGIBILITY DETERMINATION FOR RECIPIENTS OF A STATE'S GA PROGRAM BENEFITS AND RECIPIENTS OF FINANCIAL EDUCATION ASSISTANCE BASED ON NEED, REGARDLESS OF SOURCE.	ACCEPTED RECOMMENDATION.	LAW	967	0/6	
31. INCOME: COMPLEMENTARY PROGRAMS	PERMITS STATES TO DISREGARD THE VALUE OF ASSISTANCE PAYMENTS THAT ARE COMPLEMENTARY AND NOT DUPLICATIVE.	WITH SPECIFIED EXCEPTIONS, GENERALLY COUNTS STATE-FUNDED ASSISTANCE WHETHER PAID DIRECTLY OR VOUCHERED.	AMEND FOOD STAMP ACT TO ALLOW A STATE THAT EXEMPTS FUNDS FROM A COMPLEMENTARY PROGRAM IN AFDC TO ALSO EXEMPT INCOME FROM THAT PROGRAM FOR FOOD STAMPS.	ACCEPTED RECOMMENDATION.	LAW	b	0/4	
32. INCOME: EARNINGS OF 16-YEAR-OLD HIGH SCHOOL STUDENTS	DISREGARDS EARNINGS OF DEPENDENT CHILD RECIPIENT WHO IS FULL OR PART-TIME STUDENT FOR NEEDS AND BENEFIT DETERMINATION. STATE OPTION TO DISREGARD EARNINGS OF FULL-TIME STUDENT APPLICANT OR RECIPIENT FOR NEEDS AND ELIGIBILITY FOR UP TO 6 MONTHS.	COUNTS AS EARNED INCOME.	EXCLUDE INCOME OF 16 YEAR-OLD HIGH SCHOOL STUDENTS UNTIL THEY REACH 19 AS LONG AS THEY MEET THE DEFINITION OF A CHILD FOR A PARTICULAR STATE'S AFDC PROGRAM.	ACCEPTED RECOMMENDATION.	LAW	96	0/4	

APWA TASK FORCE ON PROGRAM COORDINATION  
revised Recommendation  
advises budgetary impact savings if AFDC conforms to FSP  
best estimated date available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHANGE REQUIRED	FSP COST \$(M)	AFDC COST \$(M)	STATUS POLICY SAN DIEGO MEET.
33. INCOME: EARNINGS OF STUDENTS UNDER 18	DISREGARDS EARNINGS OF DEPENDENT CHILD RECIPIENT WHO IS FULL-TIME OR PART-TIME STUDENT FOR NEEDS AND BENEFIT OPTION TO DISREGARD EARNINGS OF FULL-TIME STUDENT APPLICANT OR RECIPIENT FOR NEEDS AND ELIGIBILITY FOR UP TO 6 MONTHS.	EXCLUDES IF STUDENT IS IN SCHOOL AT LEAST HALF TIME AND IS UNDER PARENTAL CONTROL.	EXCLUDE EARNINGS OF FULL OR PART-TIME STUDENTS UNDER 18 FOR BOTH ELIGIBILITY AND BENEFIT DETERMINATIONS FOR BOTH PROGRAMS.	ACCEPTED RECOMMENDATION..	LAW	a	a	
34. INCOME: ENERGY ASSISTANCE	PROVIDES ASSISTANCE PROVIDED UNDER LOW-INCOME HOME ENERGY ASSISTANCE ACT. STATES HAVE OPTION TO EXCLUDE ASSISTANCE FROM OTHER SPECIFIED TYPES OF PROVIDERS.	EXCLUDES CASH OR IN-KIND ENERGY ASSISTANCE UNDER FEDERAL LAW AND WITH FHS APPROVAL FROM SOME STATE AND LOCAL PROGRAMS, INCLUDING ASSISTANCE COMBINED WITH PUBLIC OR GENERAL ASSISTANCE PROGRAMS.	DISREGARD FOR BOTH PROGRAMS ANY ENERGY PAYMENT BASED ON FINANCIAL NEED. ENERGY ASSISTANCE IS DEFINED AS ANY ASSISTANCE PAID TO OR ON BEHALF OF A HOUSEHOLD TO COVER THE PAYMENT FOR FUEL TO HEAT OR COOL RESIDENCE, WHICH IS BASED ON FINANCIAL NEED.	ACCEPTED RECOMMENDATION.	LAW	b	b	
35. INCOME: HUD UTILITY PAYMENTS	STATES HAVE OPTION TO COUNT OR DISREGARD RENT OR HOUSING SUBSIDIES AS INCOME, BUT MAY COUNT ONLY THE AMOUNT THAT EXCEEDS THE SHELTER AMOUNT ESTABLISHED IN THE PAYMENT STANDARD FOR AN ASSISTANCE UNIT OF THE SAME SIZE AND COMPOSITION.	VENOR PAYMENTS TO LANDLORD EXCLUDED. DIRECT PAYMENTS TO HOUSEHOLD AND VENOR PAYMENTS TO UTILITY PROVIDER COUNTED. AMOUNT HOUSEHOLD OWES LANDLORD AFTER HUD PAYMENTS IS ALLOWED AS RENT EXPENSE. IN 3RD CIRCUIT, HUD UTILITY PAYMENTS EXCLUDED.	EXCLUDE FROM INCOME FOR BOTH PROGRAMS. TREAT AS SEPARATE FROM ENERGY ASSISTANCE.	ACCEPTED RECOMMENDATION.	LAW	\$160	N/A	



02/01/93

## APHA TASK FORCE ON PROGRAM COORDINATION

Revised Recommendation

minimal budgetary impact ceasing if AFDC conforms to FSP  
 best estimated deficit available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHANGE REQUIRED	FSP COST \$(M)	AFDC COST \$(M)	STATUS FOR SAN DIEGO MEET.
36. INCOME: IN-KIND INCOME/VEHICLE PAYMENTS	EARNED IN-KIND INCOME COUNTED AS INCOME. STATE OPTION TO DISREGARD SUPPORT AND MAINTENANCE IN-KIND ASSISTANCE FURNISHED BY PRIVATE NON-PROFIT AGENCY OR SPECIFIED HOME ENERGY PROVIDERS. STATE OPTION TO COURT OR DISREGARD UNEARNED IN-KIND INCOME.	EXCLUDES IN-KIND INCOME UNLESS SPECIFICALLY EXCLUDED. THIRD-PARTY PAYMENTS ARE COUNTED AS INCOME IF FUNDS ARE LEGALLY OBLIGATED TO BE PAID TO THE HOUSEHOLD.	EXCLUDE IN-KIND BENEFITS AS INCOME FOR BOTH PROGRAMS. ADOPT FSP VENDOR PAYMENT POLICY FOR AFDC.	ACCEPTED RECOMMENDATIONS.	LAW	5-3 c	\$9	
37. INCOME: INCOME ENCLOSED BY OTHER LAWS	EXCLUSIONS FOR EDUCATION ASSISTANCE, INDIAN PER CAPITA PAYMENTS, JTPA, AND OTHERS REQUIRED BY LAW DIFFER FROM FOOD STAMP EXCLUSIONS.	EXCLUSIONS FOR EDUCATION ASSISTANCE, INDIAN PER CAPITA PAYMENTS, JTPA, AND OTHERS REQUIRED BY LAW DIFFER FROM THE AFDC EXCLUSIONS.	AMEND SOCIAL SECURITY ACT AND FOOD STAMP ACT TO MAKE LISTS OF EXCLUDED INCOME IDENTICAL. AMEND BOTH LAWS TO ALLOW THE SECRETARIES OF AGRICULTURE AND DHS TO ISSUE REGULATIONS AT ANY TIME ANOTHER LAW MAKES INCOME FROM A PROGRAM EXEMPT FOR AFDC OR FSP.	ACCEPTED RECOMMENDATION.	LAW	b	b	
38. INCOME: INCOME OF INDIVIDUAL MEMBERS WITH PARTICIPATING DEPENDS ON THE REASON FOR NONPARTICIPATION. EXCEPT FOR INDIVIDUALS DISQUALIFIED FOR SPECIFIED REASONS, STATES HAVE OPTION TO ALLOCATE INCOME OF NONPARTICIPATING MEMBERS.	INCOME OF TREATMENT OF THE INCOME OF AN INDIVIDUAL LIVING WITH THE UNIT BUT NOT PARTICIPATING DEPENDS ON THE REASON FOR NONPARTICIPATION. EXCEPT FOR INDIVIDUALS DISQUALIFIED FOR SPECIFIED REASONS, STATES HAVE OPTION TO ALLOCATE INCOME OF NONPARTICIPATING MEMBERS.	TREATMENT OF INCOME OF INELIGIBLE MEMBER DEPENDS ON THE REASON FOR INELIGIBILITY.	GIVE THIS DIFFERENCE LOW PRIORITY OR DROP IT UNTIL COORDINATION IS ACHIEVED IN THE REASONS FOR DISQUALIFICATION FROM PROGRAM PARTICIPATION.	ACCEPTED RECOMMENDATION. DROP AS INCOME ISSUE.				n/a

APRA TASK FORCE ON PROGRAM COORDINATION

Revised Recommendation  
 estimate budgetary impact savings if AFDC benefits to FSP  
 benefit estimated dollar available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY CHANGE COMMITTED ACTION	FSP REQUIRED \$ (M)	AFDC COST \$ (M)	STATUS POL. BAW DIBCO REC.
39. INCOME: IRREGULAR STATE OPTION TO DISREGARD FOR PROSPECTIVE INCOME	SMALL NONRECURRING GIFTS NOT TO EXCEED \$50 PER INDIVIDUAL IN A QUARTER.	IRREGULAR STATE OPTION TO DISREGARD FOR PROSPECTIVE BUDGETING. IRREGULAR INCOME NOT TO EXCEED \$30 IN A QUARTER DISREGARDED. IRREGULAR INCOME COUNTED IN RETROSPECTIVE BUDGETING.	REVISE FOOD STAMP ACT TO DISREGARD UP TO \$30 PER PERSON PER QUARTER OF GIFTS AND INCONSEQUENTIAL INCOME IN EITHER PROSPECTIVE OR RETROSPECTIVE BUDGETING.	ACCEPTED RECOMMENDATION.	0	N/A	
40. INCOME: JTPA EARNINGS FROM STATE TRAINING PROGRAMS	AT STATE OPTION, MAY DISREGARD UNEARNED INCOME INDIFERENTLY AND EARNED INCOME FOR 6 MONTHS OF A DEPENDENT CHILD PARTICIPATING IN JTPA.	EXCLUDES ALL JTPA INCOME EXCEPT THAT FROM ON-THE-JOB TRAINING PROGRAMS UNDER SECTION 204(5) OF TITLE II, JTPA. ALL OUT INCOME OF INDIVIDUALS UNDER 19 UNDER PARENTAL CONTROL EXCLUDED.	AMEND AFDC PROGRAM TO BE CONSISTENT WITH FSP AND EXCLUDE JTPA STATE TRAINING PROGRAM INCOME OF HOUSEHOLD MEMBERS UNDER 19.	ACCEPTED RECOMMENDATION.	0	0	
41. INCOME: LUMP SUM PAYMENTS	IF UNIT'S INCOME AFTER DISREGARDS EXCEEDS NEEDS STANDARD BECAUSE OF RECEIPT OF NONRECURRING EARNED OR UNEARNED LUMP SUM INCOME, UNIT IS INELIGIBLE FOR PERIOD DETERMINED BY DIVIDING LUMP SUM AMOUNT PLUS OTHER HOUSEHOLD INCOME BY NEEDS STANDARD.	ACT EXCLUDES FROM INCOME NONRECURRING LUMP-SUM PAYMENTS INCLUDING BUT NOT LIMITED TO INCOME TAX REFUNDS, RETIRES OR CREDITS, RETROACTIVE LUMP-SUM SOCIAL SECURITY OR RAILROAD RETIREMENT PENSION PAYMENTS AND INSURANCE SETTLEMENTS.	AMEND SOCIAL SECURITY ACT TO ADOPT FSP POLICY. ADD PROVISIONS TO RULES OF BOTH PROGRAMS TO REQUIRE VERIFICATION OF THE DISPOSITION OF LUMP PAYMENTS IN EXCESS OF THE RESOURCE ELIGIBILITY MAXIMUMS.	ACCEPTED RECOMMENDATION.	\$-2 c	\$6	

\*Revised Recommendation  
 minimal budgetary impact savings if AFDC conforms to FSP  
 that estimated cost available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	FSP REQUIRED COST \$ (M)	AFDC COST \$ (M)	STATUS FOR SAN DIEGO ME:
42. INCOME: SELF-EMPLOYMENT - CALCULATING BOARDER FROM BOARDERS.	ALLOWS USE OF A FLAT PERCENTAGE FOR EXPENSES IN CALCULATING INCOME FROM BOARDERS.	THE COST OF PRODUCING SELF-EMPLOYMENT BOARDER INCOME (OTHER THAN COMMERCIAL BOARDING HOUSES) IS THE GREATER OF THE MAXIMUM ALLOTMENT AMOUNT FOR THE BOARDER'S HOUSEHOLD SIZE OR THE ACTUAL COST OF PROVIDING ROOM AND BOARD.	AMEND AFDC PROGRAM TO CONFORM WITH FSP RULES AND ALLOW EITHER MAXIMUM ALLOTMENT FOR HOUSEHOLD OF THE SAME SIZE AS NUMBER OF BOARDERS OR THE ACTUAL DOCUMENTED COST, IF HIGHER THAN THE ALLOTMENT.	ACCEPTED RECOMMENDATION.	0/A	0	WAIVER POSSIBLE FOR AFDC AND FSP SIMPLIFIED ROLE INCLUDES OPTION FOR PERCENTAGE FOR CHILD CARE PROVIDERS AND HOUSEHOLDS WITH BOARDERS.
43. INCOME: SELF-EMPLOYMENT EXPENSES	EXPENSES LIMITED TO THOSE WITHOUT WHICH GOODS OR SERVICES COULD NOT BE PRODUCED. DEPRECIATION, PURCHASES OF CAPITAL EQUIPMENT, PAYMENTS ON PRINCIPAL OF LOANS FOR CAPITAL ASSETS OR DURABLE GOODS, PERSONAL BUSINESS, TRANS., ENTERTAINMENT NOT ALLOWED.	EXPENSES NOT ALLOWED ARE: NET LOSSES FROM PRIOR PERIODS, DEPRECIATION, RETIREMENT MONEY, PURCHASE PRICE OR PAYMENTS ON PRINCIPAL OF LOANS FOR EQUIPMENT, PERSONAL INCOME TAXES AND OTHER WORK-RELATED EXPENSES COVERED BY EARNED INCOME DEDUCTION.	BOTH PROGRAMS SHOULD MODIFY REGULATIONS TO ALLOW SAME EXPENSES AND RECONSIDER TREATMENT OF DEPRECIATION. AMEND LAWS TO ALLOW STATES TO DEVELOP PERCENTAGE STANDARDS TO COVER THE COSTS OF DOING BUSINESS.	ACCEPTED RECOMMENDATION. NEED COMMON DEFINITIONS OF EXPENSES. WANT TO USE PERCENT, BUT NEED MORE INFORMATION TO DETERMINE WHAT THE PERCENT SHOULD BE.	REG	0	MODIFICATION OF SELF-EMPLOYMENT EXPENSES INCLUDE IN FSP SIMPLIFICATION ROLE.
44. INCOME: STUDENT ASSISTANCE	EXCLUDES LOANS AND GRANTS OBTAINED AND USED UNDER CONDITIONS THAT PRECLUDE USE FOR CURRENT LIVING COSTS. EXCLUDES AID TO UNDERGRADUATES FROM EDUCATION DEPT. EXCLUDES COSTS OF ATTENDANCE FROM TITLE IV, BIA. STATE OPTION TO DISREGARD ALL STUDENT AID.	EXCLUDES LOANS AND GRANTS OBTAINED AND USED UNDER CONDITIONS THAT PRECLUDE USE FOR CURRENT LIVING COSTS. EXCLUDES AID TO UNDERGRADUATES FROM EDUCATION DEPT. EXCLUDES COSTS OF ATTENDANCE FROM TITLE IV, BIA. STATE OPTION TO DISREGARD ALL STUDENT AID.	LONG-TERM GOAL IS TO AMEND THE FOOD STAMP ACT TO TOTALLY DISREGARD ALL EDUCATIONAL ASSISTANCE. SHORT-TERM GOAL IS FOR FHS TO ALLOW STATES TO SEND A FORM TO SCHOOLS ASKING WHAT PORTION OF ASSISTANCE IS BOARD AVAILABLE FOR ROOM AND BOARD.	ACCEPTED RECOMMENDATION.	LAW	\$5	0/A

APWA TASK FORCE ON PROGRAM COORDINATION

Revised Recommendation

minimal budgetary impact savings if AFDC conforms to FSP  
but estimated not available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHANGE REQUIRED	FSP COST \$(M)	AFDC COST \$(M)	STATUS FOR SAN DIEGO HCL
45. INCOME: TITLE IV-0 550 CHILD SUPPORT PASS-THROUGH PAYMENTS	DISREGARDS THE PASS-THROUGH PAYMENTS	COURTS PAYMENTS AS INCOME. STATES HAVE OPTION TO DISREGARD, BUT MUST PAY FNS FOR THE RESULTING ADDITIONAL BENEFITS ISSUED.	AMEND FOOD STAMP ACT TO DISREGARD THE \$50 PAYMENTS.	ACCEPTED RECOMMENDATION.	LAW	\$181	NA	
46. RECERTIFICATION (REDETERMINATION): CERTIFICATION PERIODS	REDETERMINES ELIGIBILITY WHEN NECESSARY BUT AT LEAST ONCE EVERY 6 MONTHS UNLESS UNIT REPORTS MONTHLY OR IS COVERED BY APPROVED ERROR-PHONE PROFILING SYSTEM. MUST HAVE FACE-TO-FACE REDETERMINATION ONCE IN 12 MONTHS.	CERTIFICATION PERIODS OF FROM ONE TO TWELVE MONTHS ARE ASSIGNED TO MONTHLY REPORTING HOUSEHOLDS, DEPENDING ON CHARACTERISTICS. MONTHLY REPORTING HOUSEHOLDS MUST BE CERTIFIED FOR SIX OR TWELVE MONTHS.	ALLOW OPEN-ENDED AUTHORIZATION OF BENEFITS FOR ALL HOUSEHOLDS. AT A MINIMUM, ALL CASES MUST BE REVIEWED EVERY 24 MONTHS.	ACCEPTED RECOMMENDATION.	LAW	b	b	
47. RECERTIFICATION (REDETERMINATION): PROCESS	STATES MAY PRESCRIBE FORMS AND PROCEDURES.	LAW AND REGULATIONS CONTAIN SPECIFIC PROCEDURAL REQUIREMENTS FOR NOTICE OF EXPIRATION AND REAPPLICATION.	ALLOW STATE AGENCIES TO SET OWN REVIEW SCHEDULES.	ACCEPTED RECOMMENDATION.	LAW	o	o	FSP PROPOSED SIMILIFICATION RULE WILL INCLUDE PROVISIONS ON RECERTIFICATION
48. RESOURCES: ACCESSIBILITY	RESOURCES ARE CONSIDERED AVAILABLE WHEN ACTUALLY AVAILABLE AND WHEN THE CLIENT HAS A LEGAL INTEREST IN A LIQUIDATED SUM AND HAS THE LEGAL ABILITY TO MAKE IT AVAILABLE.	REGS EXCLUDE INACCESSIBLE RESOURCES SUCH AS THOSE IN IRREVOCABLE TRUSTS, PROBATE, SECURITY DEPOSITS, REAL PROPERTY BEING SOLD, JOINTLY HELD RESOURCES THAT CANNOT PRACTICALLY BE SUBDIVIDED AND THE OTHER OWNER REFUSES TO SELL.	COUNT THE VALUE OF PROPERTY SOLELY OWNED BY THE HOUSEHOLD/ASSISTANCE UNIT FOR BOTH PROGRAMS. EXCLUDE WEIR OR JOINTLY OWNED PROPERTY (OTHER THAN IF OWNED BY PERSONS IN THE BUDGET UNIT).	ACCEPTED RECOMMENDATION.	REG	o	o	

02/01/93

## APMA TASK FORCE ON PROGRAM COORDINATION

Revised Recommendation

minimal budgetary impact savings if AFDC conforms to FSP  
 but estimated dollar available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHANGE REQUIRED	FSP COST \$(M)	AFDC COST \$(M)	STATUS FOLLOW-UP SAN DIEGO MEETING
49. RESOURCES: BURIAL PLANS	BURIAL EXCLUDES ONE BONA FIDE FUNERAL AGREEMENT PER INDIVIDUAL UP TO \$1,500 IN EQUIT VALUE OR LOWER AMOUNT AT STATE OPTION AND EXCLUDES ONE BURIAL PLOT PER INDIVIDUAL.	INACCESSIBLE FUNDS IN BURIAL AGREEMENTS AND ONE BURIAL PLOT PER MEMBER ARE EXCLUDED. ACCESSIBLE FUNDS ARE COUNTED.	EXCLUDE FOR BOTH PROGRAMS.	ACCEPTED RECOMMENDATION.	REC	0	0	PROVISION ON BURIAL PLANS IN FSP SIMPLIFICATION RULE.
50. RESOURCES: INCOME-PRODUCING REAL PROPERTY	COUNTS AS A RESOURCE EXCEPT UNDER PROVISIONS GOVERNING REAL PROPERTY FOR SALE.	EXCLUDES AS A RESOURCE IF PRODUCING INCOME CONSISTENT WITH ITS FAIR MARKET VALUE OR ESSENTIAL TO SELF-EMPLOYMENT, BUT COUNTS INCOME PRODUCED.	EXCLUDE FOR BOTH PROGRAMS INCOME-PRODUCING PROPERTY ESSENTIAL TO EMPLOYMENT OR SELF-EMPLOYMENT. EXCLUDE FOR BOTH PROGRAMS THE EQUITY VALUE OF REAL PROPERTY (SOLE AND CLEAR OWNERSHIP) WHICH IS PRODUCING INCOME CONSISTENT WITH ITS FAIR MARKET VALUE.	ACCEPTED RECOMMENDATION.	LAW	N/A	0	
51. RESOURCES: LIFE INSURANCE	COUNTS AS A RESOURCE.	EXCLUDES AS A RESOURCE.	EXCLUDE FOR BOTH PROGRAMS.	ACCEPTED RECOMMENDATION.	LAW	N/A	0	
52. RESOURCES: REAL PROPERTY FOR SALE	RESOURCE AFTER 6 MONTHS (OR 9 AT STATE OPTION) IF NOT SOLD. CLIENT MUST AGREE TO MAKE A GOOD FAITH EFFORT TO DISPOSE OF PROPERTY AND REPAY AFDC RECEIVED DURING SALE PERIOD. IF NOT SOLD DURING PERIOD, AFDC END'S OVERPAYMENT CALCULATED WHEN PROPERTY SOLD.	EXCLUDES FOR UNSPECIFIED TIME IF HOUSEHOLD MAKING GOOD FAITH EFFORT TO SELL.	EXCLUDE FOR BOTH PROGRAMS REAL PROPERTY THE UNIT IS MAKING A GOOD FAITH EFFORT TO SELL.	ACCEPTED RECOMMENDATION.	LAW	N/A	0	

ALPHA TASK FORCE ON PROGRAM COORDINATION  
\*Revised Recommendation

minimal budgetary impact ensuring if AFDC conforms to fsp  
booklet estimated dollar available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHANGE REQUIRED	FSP COST \$(M)	AFDC COST \$(M)	STATUS FOR SUI DELGO NO.
53. RESOURCES: RESOURCE LIMIT	<p>1,000 PER ASSISTANCE UNIT USING EQUITY VALUE OF RESOURCES.</p>	<p>\$2,000 PER HOUSEHOLD OR \$3,000 IF ONE MEMBER IS 60 OR OVER, USING EQUITY VALUE EXCEPT FOR VEHICLES. LIMIT DOES NOT APPLY TO CATEGORICALLY ELIGIBLE HOUSEHOLDS OR TO HOUSEHOLD MEMBERS WHO RECEIVE AFDC.</p>	<p>USE FOOD STAMP RESOURCE LIMITS.</p>	<p>ACCEPTED RECOMMENDATION.</p>	LAW	b	b	
54. RESOURCES: TRANSFER	<p>AFDC RECS CONTAIN NO PROVISION REGARDING INELIGIBILITY BECAUSE OF TRANSFER OF RESOURCES, BUT REGULATIONS ALLOW STATES TO IMPOSE ADDITIONAL CONDITIONS OF ELIGIBILITY. 35 STATES PROHIBIT TRANSFER OR OTHER DISPOSITION OF PROPERTY PRIOR TO APPLICATION.</p>	<p>PROHIBITS PARTICIPATION IN THE PROGRAM FOR UP TO ONE YEAR IF RESOURCE IS TRANSFERRED WITHIN 3 MONTHS PRIOR TO APPLICATION OR DURING CERTIFICATION PERIOD IN ORDER TO MEET FSP RESOURCE LIMITS.</p>	<p>STATES MAY CONFORM AFDC POLICY TO FSP POLICY.</p>	<p>ACCEPTED RECOMMENDATION.</p>		7/0	0	
55. RESOURCES: VEHICLES	<p>EXCLUDES VEHICLES USED AS HOUSEHOLD HOME OR NEEDED TO PRODUCE INCOME. EXCLUDES FIRST \$1,500 OF EQUITY VALUE OF ONE VEHICLE AND COUNTS REMAINDER AS AVAILABLE RESOURCE.</p>	<p>EXCLUDES VEHICLES USED AS HOME, NEEDED TO PRODUCE INCOME OR TO TRANSPORT DISABLED MEMBER. COUNTS MARKET VALUE OVER \$4,500 OF 1 VEHICLE PER HOUSEHOLD AND EDUCATION AND WORK-RELATED VEHICLES. COUNTS GREATER OF FMV OVER \$4,500 OR EQUITY FOR OTHERS.</p>	<p>EXCLUDE ONE VEHICLE PER HOUSEHOLD REGARDLESS OF VALUE. COUNT FOR BOTH PROGRAMS THE EXCESS EQUITY (FAIR MARKET VALUE LESS ENCUMBRANCES) VALUE OF OTHER LICENSED VEHICLES.</p>	<p>ACCEPTED RECOMMENDATION.</p>	LAW	8/01	\$736	<p>COMMITTEE QUESTIONED COST ESTIMATES AND ASKED ACF AND FMS TO REVIEW ESTIMATES AGAIN.</p>

APMA TASK FORCE ON PROGRAM COORDINATION  
revised Recommendation  
minimal budgetary impact achieving if AFDC conforms to PSP  
based estimated dollar available at time of printing

ISSUE	AFDC POLICY	FOOD STAMP POLICY	TASK FORCE RECOMMENDATION	ECONOMIC SECURITY COMMITTEE ACTION	CHANGE REQUIRED COST \$ (M)	AFDC COST \$ (M)	STATUS FOR: SMI DLEAD
56. RESTORED BENEFITS (UNDERPAYMENTS): POLICY	<p>UNDERPAYMENTS RESULTING FROM CLIENT OR AGENCY ERRORS ARE CORRECTED TO CURRENT RECIPIENTS AS LONG AS THE REPORTING REQUIREMENT FOR CHANGES IS SATISFIED. STATES MAY CORRECT UNDERPAYMENTS CAUSED BY CLIENT OR AGENCY ERROR TO FORMER RECIPIENTS.</p>	<p>LOST BENEFITS ARE RESTORED ONLY WHEN THE AGENCY MAKES A MISTAKE.</p>	<p>PAY RESTORED BENEFITS WHETHER DUE TO AGENCY OR CLIENT ERROR. CONTINUE TO ALLOW OFFSET OF RESTORED BENEFITS AGAINST OUTSTANDING CLAIMS. OFFSET POTENTIAL RESTORATIONS OLDER THAN ONE YEAR AGAINST OUTSTANDING CLAIMS.</p>	<p>"DECIDED THAT BENEFITS SHOULD NOT BE RESTORED FOR CLIENT ERROR."</p>	32	32	9-6
57. RESTORED BENEFITS (UNDERPAYMENTS): TIME LIMIT FOR LIMIT	<p>NO TIME LIMIT FOR CORRECTION OF UNDERPAYMENTS. BENEFITS ARE RESTORED TO CURRENT RECIPIENTS BEGINNING WITH THE MONTH THAT CHANGES MUST BE REPORTED TO THE STATE AGENCY. CORRECTIVE PAYMENTS TO UNDERPAID FORMER RECIPIENTS ARE PERMITTED BUT NOT REQUIRED.</p>	<p>LOST BENEFITS CANNOT BE RESTORED FOR MORE THAN 12 MONTHS UNLESS THERE IS A SPECIAL EXCEPTION.</p>	<p>MODIFY AFDC LAW TO CONFORM WITH THE FOOD STAMP 12-MONTH LIMIT ON RESTORED BENEFITS, UNLESS REGULATIONS SPECIFY HOUSEHOLD IS ENTITLED TO LOST BENEFITS FOR A LONGER PERIOD.</p>	<p>ACCEPTED RECOMMENDATION.</p>	0	0	0

**TESTIMONY OF ROBERT GREENSTEIN**  
**DIRECTOR, CENTER ON BUDGET AND POLICY PRIORITIES**  
before the  
**SUBCOMMITTEE ON DEPARTMENT OPERATIONS**  
of the  
**HOUSE COMMITTEE ON AGRICULTURE**

April 28, 1993

I appreciate the opportunity to appear before the Subcommittee today. I am Robert Greenstein, executive director of the Center on Budget and Policy Priorities here in Washington, DC. The Center is a non-profit organization that conducts research and analysis on a range of public issues and has an emphasis on issues relating to poverty, hunger and domestic food assistance programs. The Center's work is funded primarily by foundations.

Prior to starting the Center, I served in USDA as Administrator of the Food and Nutrition Service in 1979 and 1980 and as Special Assistant to Secretary Bergland for food and nutrition issues in 1977 and 1978.

**Background: Problems of Poverty and Hunger in the United States**

Poverty remains at high levels in our nation. In 1989, the peak year of the longest peacetime economic recovery since the end of World War II, the poverty rate was higher than in any year of the 1970s, including the deepest recession years of that decade. From 1989 to 1991, poverty rose further as the economy turned down, and four million more Americans became poor. In 1991, the number of poor people in the United States — 35.7 million — was higher than in any year since the mid-1960s. The percentage of the population living below the poverty line (i.e., the poverty rate) was higher than at any time two decades except for a few years in the early 1980s when the unemployment rate was close to double-digit levels. In addition, Census data show that those who are poor have, on average, grown poorer in recent years.

The rise in poverty is especially marked — and especially disturbing — among children. More than one in every five children — and nearly half of minority children — are poor. One of every two black children below the age of six lives in poverty. Moreover, large numbers of children fall into the ranks of a group sometimes described as the "very poor" or the "poorest of the poor" — those with incomes below *half* of the poverty line. Nearly half of all poor children now live in families this poor.



In this regard, a recent study by a distinguished team of international researchers is of particular significance. The researchers found that the child poverty rate in the United States is double the rate in Canada and four times the average in western Europe. This situation has serious implications for our future economic competitiveness with other western nations, as well as for our social fabric.

The long-term rise in poverty has been accompanied by several other trends, including: eroding wages and an increase in the ranks of the working poor; more single-parent families; and a growing shortage of low-rent housing, with the result that poor families must pay increasing portions of their limited incomes for housing — which leaves less for other necessities such as food.

Census data show that the ranks of the working poor have swelled in recent years, as wages have slipped, especially for low-skilled jobs. The average hourly wage for nonsupervisory employees in the private sector is now lower than at any time in the 1970s or 1980s, after adjustment for inflation. A Census report released last year found that the proportion of full-time year-round workers paid a wage too low to lift a family of four to the poverty line grew by 50 percent between 1979 and 1990. Census data also show that the poverty rate among families with children in which the household head works has risen significantly since the late 1970s.

Another long-term trend is the increase in the proportion of families that are single-parent families. Single-parent families have higher poverty rates than two-parent families. In single-parent families, there is no spouse to help support the family and share child-rearing responsibilities. Thus, not only is there no possibility of a second earner, but the single parent often is unable to work full-time herself. This makes the provision of child support payments from the absent parent especially critical. But too often, child support is not paid.

Still another problem that has grown more severe in recent years is the shortage of low-rent housing. Census data show that in 1971, there were 400,000 more low-rent units in the nation than there were low-income renter households. By 1989, there were *four million fewer* low-rent units than low-income renter households.

As a result, low-income renters are forced to spend steadily increasing shares of their limited incomes on housing costs. Under standards recommended by, and established under, the Reagan Administration, housing is considered unaffordable for a low-income household if it consumes more than 30 percent of household income. But in 1989, the last year for which these data are available, more than half of all poor renters in the United States spent *at least 50 percent* of income for housing.

## Rural Problems

A number of these problems are particularly acute in rural areas. Despite the media emphasis on urban poverty, the poverty rate remains higher in rural than in urban areas. In 1991, nearly one of every six Americans living in nonmetropolitan areas — 16.1 percent — was poor, according to the Census data. In urban areas, fewer than one in seven — or 13.7 percent — was poor.

The erosion in wages and the consequent increase in the ranks of the working poor has had a particular effect in rural areas. A very high proportion of the rural poor work. In fact, 70 percent of all poor rural families not headed by a retired, ill, or disabled individual are families in which the household head works.

In addition, the lack of sufficient low-cost housing is a problem in urban and rural areas alike and in all regions of the country. The region of the country in which the number of poor households paying over half of their income for housing is greatest is the South. While housing costs tend to be somewhat lower in Southern and rural areas than in northern and urban areas, wages and public assistance payments are lower as well. As a result, large proportions of poor households in all areas pay high percentages of their income for housing.

## Impact on Food Purchasing

These adverse trends appear to have affected the food purchasing power of low-income households. In 1991, the Economic Research Service at USDA issued a major study on food expenditure patterns among urban households during the 1980s. The study, *Food Spending in American Households 1980-1988*,<sup>1</sup> shows a disturbing trend. While the food expenditures of middle- and upper-income households remained relatively constant over this period, after adjustment for inflation, the food expenditures of poor households declined substantially.

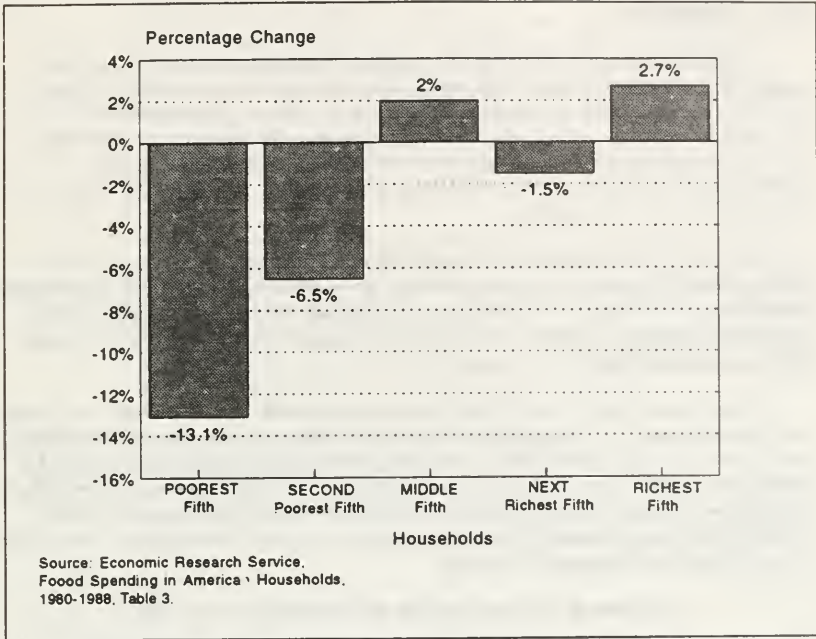
- Among the middle fifth of urban households, average weekly food expenditures per person rose two percent between 1980 and 1988, after adjusting for inflation. Similarly, among the top income fifth, food expenditures per person rose three percent.

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<sup>1</sup> David M. Smallwood, Noel Blisard, and James T. Blaylock, *Food Spending in American Household, 1980-1988*, Economic Research Service, U.S. Department of Agriculture, May 1991. The study is based on data from the Continuing Consumer Expenditure Diary Surveys of the Bureau of Labor Statistics.

- By contrast, among the poorest fifth of urban households, food expenditures per person fell 13.1 percent. Among the next-to-the poorest fifth, food expenditures dropped 6.5 percent.

Change in Average Weekly Food Expenditures  
Per Person from 1980 to 1988  
(expenditures are adjusted for inflation)



This decrease in food purchasing among low-income households is undoubtedly linked to such factors as eroding wages and public assistance payments and the tendency of housing costs to consume a steadily rising share of household incomes. These data provide some further evidence that many poor households have faced increasing difficulty in recent years in securing adequate food.

These developments also help explain why hunger remains a serious problem despite the growth in the food stamp program. The increase in poverty, the decrease in the incomes of poor households due in large part to eroding wages and benefits, and the increasing tendency of housing costs to consume more of the budgets of the

poor have squeezed the ability of many poor households to devote adequate resources to food purchases. For all but a small minority of poor households, food stamps are supposed to provide some — but not all — of their food budgets. The rest of their food purchases are to be made from their own resources. When they have lower incomes and fewer resources left for food after paying rent and utilities, the chances that they will secure an adequate diet throughout the month are lessened.

### **Policy Implications**

These sobering data have significant policy implications. In my view, they suggest that we need to take policy actions aimed at achieving a number of goals — reducing poverty and hunger among children so they have a better chance of achieving their full potential and becoming the productive workers our economy needs, more adequately rewarding hard work performed at low wages, and promoting self-sufficiency and parental responsibility through work effort and meeting child support obligations.

It is, of course, unrealistic to expect reforms in the food stamp program to solve all these problems. But if such reforms are well designed, they can significantly reduce hunger among poor households and especially among poor children while also making progress in better rewarding work and promoting self-sufficiency and parental responsibility.

Such reform can be quite significant in rural as well as urban areas. A Census study that covered a 32-month period in the late 1980s found that during this period, nearly one in every six residents of nonmetropolitan areas received food stamps for at least one month. The study also found that a much smaller number — fewer than one in 25 — received food stamps in *every* month in this 32-month period, which indicates that large numbers of rural households rely upon food stamps to help them through periods of temporary hardship.

### **The Role of H.R. 529 and the Administration's New Bill**

The legislation introduced earlier this year by then Rep. Leon Panetta and Reps. Emerson, de la Garza, and Hall (H.R. 529), as well as the Administration's bill unveiled yesterday, meet these criteria very well. Both pieces of legislation are similar to earlier legislation that passed the House floor in 1990 by a 336-83 margin, with every Democrat and a majority of Republicans supporting it. In the final part of this testimony, I will focus on the Administration's new proposal. The Administration's proposal is patterned largely on H.R. 529, as well as on bipartisan legislation introduced in 1990 and 1991 in the Senate and recent anti-fraud legislation introduced by Senators McConnell, Dole, and Lugar.

The Administration's legislation appears particularly well designed in several respects.

- It is well-targeted. It is primarily focused on poor children and their families, with particular targeting on those families with children whose housing costs are especially high in relation to their incomes.
- It assists the working poor in important ways and is consistent with the goal espoused in recent years by leading members of both parties — and most recently by President Clinton — that families in which a parent works full-time year-round should not be poor.<sup>2</sup> It also strengthens the food stamp employment and training program so that fewer able-bodied recipients are excused from the program on the grounds that participation in it would require them to bear work-related expenses the program fails to reimburse.
- It should bolster the child support system by strengthening incentives for custodial parents to help track down and collect support from absent parents and for absent parents to meet their child support obligations.
- It simplifies the program, which should ease administrative burdens and lead to some moderation in error rates. It also aligns the food stamp and AFDC programs more closely in several respects.
- It includes a battery of anti-fraud and abuse provisions to strengthen program integrity.
- It also helps to offset the impact of the energy tax on poor households so the tax does not push them deeper into poverty. As the only low-

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<sup>2</sup> Under the Administration's budget, this goal would principally be met by an expansion of the widely praised earned income tax credit. Full-time year-round minimum wage earnings would raise a family of four to the poverty line when EITC benefits and food stamps are added, and payroll taxes are subtracted. This formula for raising working poor families out of poverty thus relies in part on receipt of food stamps by the working poor. USDA and Census data show, however, that a majority of working poor households do not receive food stamps. As a result, measures to improve food stamp participation by the working poor are important. The Administration's food stamp bill includes measures that help in this regard, such as a provision that would raise the limit on the value of a vehicle a food stamp household may own (many working poor families, especially in rural areas, need a car to commute to work) and a provision that would enable working food stamp families to retain their food stamps when they receive an earned income credit benefit. (At present, families can retain their food stamps when they receive an EITC benefit, but in some cases, they are required to spend their EITC payment rapidly in order to do so. That does not represent sound policy. The Administration's bill would remedy this problem.)

income benefit program that covers all categories of poor households, the food stamp program is a logical program to help perform this role.

The legislation includes numerous provisions. I will not attempt to cover most of them here. An appendix to this testimony discusses several of the key provisions.

### **The Administration's Bill and Budgetary Issues**

I do want to touch briefly on one other issue of particular interest to us at the Center on Budget and Policy Priorities. One of our principal areas of focus is the federal budget, an area of interest to a number of members of the Subcommittee as well, especially the Chairman. What are the budgetary aspects of this legislation?

The Administration's estimates show that starting in fiscal year 1995, its legislation would cost \$1.5 billion to \$1.7 billion per year. The five-year cost would be \$6.95 billion. Some who have heard this five-year total have commented that it is somewhat larger than earlier versions of the Leland bill. H.R. 529 would cost \$6.3 billion over five years.

The added cost stems, however, from more honest budgeting, not from a more expansive bill. Earlier versions of the Leland bill — including H.R. 529 — reduced their five-year costs by phasing in most major provisions slowly. In fact, one of the largest provisions in H.R. 529 would not take effect *until the sixth year*, which is outside the five-year budget window.

This is *not* the case with the Administration's bill. Every provision of the bill would be fully in place by FY 1995, with the costs essentially rising only with inflation after that year. Because the Administration's bill does not use a slow phase-in, it costs more over the next five years than H.R. 529. *But its long-term costs are lower than those of H.R. 529.* In the sixth year and all subsequent years, it would cost \$200 million a year *less* than H.R. 529 would. In short, it costs more initially than H.R. 529 and earlier versions of the Leland bill because it does not use the phasing and back-loading provisions of the earlier pieces of legislation. But it costs less over the long run because it is a less expansive piece of legislation.

I would also note that under the Administration's budget and the Congressional budget resolution, the food stamp proposal is fully paid for and complies with the "pay-as-you-go" requirement of the Budget Enforcement Act of 1990. The budget resolution would reduce the deficit by \$496 billion over five years. The entitlement changes alone would reduce the deficit by well over \$100 billion during this period.

### One Possible Modification in the Legislation

There is one aspect of the legislation that I believe might be modified slightly. The bill proposes to reduce to 50 percent the federal matching rate for state administrative costs in developing and installing computer systems, in undertaking fraud investigations and prosecutions, and in using INS' system regarding the verification of the status of non-citizens. This reduction in matching rates would be effective April 1, 1994.

I believe the basic principle of this proposal is sound. After all these years, it is reasonable to ask states to assume 50 percent of these costs, as they do of other food stamp administrative costs. But I am concerned about the timing of this provision. April 1, 1994, falls in the midst of the state fiscal year in virtually every state. By the time the reconciliation bill is enacted this summer, most states will have completed work on their budgets for the coming year.

Moreover, many states are still in fiscal crisis due to the weak economy and for other reasons. Since the proposal to reduce the federal matching rates is essentially a proposal to shift costs from the federal government to the states, I believe that states should be given more time to adjust to it.

I would suggest that this provision begin to take effect on July 1, 1994, rather than on April 1, 1994. Most state fiscal years begin July 1.

In addition, I would suggest that the reduction in matching rates be implemented in stages over several years. That is also what early versions of the President's budget proposed. Shortly before the budget was released February 17, however, this proposal was changed to one in which the matching rates were lowered in one fell swoop on April 1, 1994 as part of an effort to secure enough savings to reach a particular deficit reduction target.

As it now turns out, the food stamp legislation that the Administration released yesterday does not use all of the budgetary resources allotted for it under the President's budget and the Congressional budget resolution. As a result, there is room to implement the reduction in matching rates in stages and still fully comply with the budget targets for all years. I believe that such a course would be in the interests both of sound administration of the food stamp program and equitable treatment of the states.

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That concludes my prepared testimony. I would be pleased to answer questions and would again like to thank the Subcommittee for inviting me to testify.

(Attachment follows:)

APPENDICES TO  
TESTIMONY OF ROBERT GREENSTEIN  
DIRECTOR, CENTER ON BUDGET AND POLICY PRIORITIES

APPENDIX 1

Discussion of Major Provisions of H.R. 529 and the Administration Bill

1. *Removing the ceiling on the shelter deduction*

H.R. 529 and the Administration's bill would make a long overdue change in the manner in which the food stamp program treats housing costs when food stamp benefit levels are determined. In theory, the food stamp benefit structure is supposed to ensure that poor households have enough resources — including their food stamps — to purchase a low cost but nutritionally adequate diet after they meet the cost of other necessities such as paying the rent. This goal is supposed to be achieved by providing a deduction from household income (when food stamp benefit levels are computed) for "excess shelter costs." Excess shelter costs are defined as housing costs that exceed 50 percent of a household's net income.

The problem is that for households that are not elderly or disabled, the shelter deduction is limited to \$200 a month, even if a household's excess shelter costs are greater than this. Elderly and disabled households are allowed to deduct the full amount of their excess shelter costs; other households, however — principally families with children — are not. This means that the very families that face the most severe housing cost burdens — families that do not receive any HUD or FmHA housing assistance and that pay extremely high proportions of their income for housing — are the families that are not permitted to deduct the full amount of their excess shelter costs. (By definition, families with lower housing cost burdens and a smaller amount of excess shelter costs get to deduct their costs in full.) Under the current food stamp benefit structure, families with very high shelter costs are thus assumed to have money available for food that actually must go to pay the rent; as a result, their food stamp benefits are set at unrealistically low levels. In short, the current food stamp benefit structure effectively compels some of these families to choose between paying the rent and utility bills and feeding their families adequately throughout the month.

There are also equity considerations. It is difficult to justify denying to poor families with children the ability to deduct their excess shelter costs in full when the elderly and disabled are permitted to do so. Census data show that the housing cost burdens of poor families with children are generally more severe than those of the elderly poor, because many of the elderly poor own their homes and have long since paid off their mortgages.

The current structure of the food stamp shelter deduction dates from the Food Stamp Act of 1977. At the time that Act was passed, it appeared that a ceiling could be placed on the shelter deduction without causing widespread hardship. (There was no ceiling on the deduction prior to the 1977 Act.) But what no one could know in 1977 was that the low-income housing market would change radically over the next



decade. In 1978, the number of low-rent housing units (defined as units renting for no more than \$250 a month, as measured in 1989 dollars ) *exceeded* the number of households with incomes below \$10,000 a year. By contrast, in 1989, there were 4.1 million fewer low-rent units than there were households below \$10,000, a sharp reversal of the conditions that prevailed only a decade earlier. The result has been a startling increase in the housing cost burdens of poor households.<sup>1</sup>

It is thus important to assure that families which bear housing costs that consume a majority of their incomes should not have to choose between paying the rent bill and missing meals — between hunger and, in some cases, homelessness. H.R. 529 and the Administration's bill would remedy this problem. They would eliminate the \$200 ceiling on the shelter deduction so that food stamp benefits are more adequate for those burdened by severe housing costs, and so that poor families with children are treated in the same manner as elderly and disabled households when food stamp benefit levels are determined.

This change would not make any household eligible for food stamps that is not eligible under current law; what it would do is assure that some very poor households now on the program who bear especially high housing cost burdens received a more adequate level of food stamp support. It would benefit large numbers of low-income households in urban and rural areas alike and in all regions of the country. (See Appendix 2.)

## 2. *Improving incentives for child support*

One major cause of poverty among children is the low level of child support provided by many absent fathers. In 1985, only 61 percent of the mothers of children whose fathers were absent were covered by child support awards. Of those who had such awards and were supposed to receive child support payments, more than half either received no payments or received less than the amount owed.

These statistics apply to *all* children, regardless of income level. For poor children, the picture is considerably more grim. For example, in 1987, child support

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<sup>1</sup> It should also be noted that the principal reason a cap was placed on the shelter deduction by the 1977 Act was that Congress worked to ensure that middle-income families could not qualify for food stamps by subtracting so much in deductions from their gross income that their income (after deductions) fell below the food stamp program's net income eligibility limits. In 1977, the only income eligibility limit in the food stamp program was the net income limit — no gross income limit existed.

This is no longer the case, however. In 1981, a gross income limit was established, equal to 130 percent of the poverty line (except for elderly and disabled households). As a result, a cap on the shelter deduction is no longer needed to prevent non-low-income families from qualifying for food stamps. The gross income limit already accomplishes that task.

payments were received for only 14 percent — or just one in seven — of the families with children on AFDC.

Welfare reform legislation passed in 1988 placed considerable emphasis on strengthening child support collections, especially for children on AFDC. Increased collections hold the promise not only of alleviating child poverty, but also of reducing the need for AFDC.

Unfortunately, however, a significant inconsistency between the AFDC program and the food stamp program now serves to hinder efforts to boost child support collections for children on AFDC.

One key to tracking down the absent fathers of children on AFDC — so that child support payments can begin to be extracted from them — is the efforts of the mother in helping authorities to locate and track down the father. Such efforts on the part of the mother can be emotionally wrenching, and at times can even carry an element of danger for the mother.

Not too long ago, the welfare system effectively discouraged the mother from cooperating in these efforts. For each dollar collected from the absent father in child support payments, the mother's AFDC grant was reduced one full dollar. As a result, the mother and her children gained nothing from these efforts.

In 1984, as policymakers began to give far greater attention to the need to increase child support collections, Congress altered this aspect of the welfare system. The House Ways and Means and Senate Finance Committees concluded that a mother on AFDC should be allowed to keep \$50 a month in child support collections as an incentive for her to help track down the absent father. Otherwise, an AFDC mother who helped track down the father (and thereby saved money for the taxpayer) would be no better off than an AFDC mother who did not help.

What the Ways and Means and Finance Committees overlooked, however, is that the food stamp benefit structure partially undermines the incentive provision they wrote into the AFDC statute. Under the food stamp program, the \$50 in child support which the mother is allowed to keep is counted against her food stamps — and her food stamp benefits are reduced as a result. As a consequence, the overall net gain to the mother for helping to track down the absent father is reduced to between \$27.50 and \$35 a month. Professionals who work with AFDC single-parents report that these parents generally are well aware that the \$50 child support payment causes a loss in food stamps and that this can lead to cynicism about the benefit of the child support system overall.

The wise policy would be to make the food stamp program consistent with AFDC and to disregard the \$50 for food stamps as well. This would boost the incentive for welfare mothers to help track down and collect payments from absent fathers. H.R. 529 and the Administration's bill include such a provision.

A second child support reform that is needed — and that both bills also contain — involves the treatment of child support payments made by absent parents if the absent parents are low-income themselves and apply for food stamps. Under present law, no exclusion from income is provided for the child support payments an absent parent makes. This means that if an absent parent remarries and has children in his second family — but still has low income — the payments he makes to support the children in his original family are counted as though they represented income still available to purchase food for his current family. As a result, his current family receives fewer food stamps.

In addition to being an unrealistic reflection of the resources available to the absent parent's current family, this aspect of current law raises serious equity issues. If two absent fathers have the same level of income before child support payments — but one responsibly pays child support while the other fails to — both receive the same amount of food stamps. Yet the father who has made the support payments has less money left for food purchases than the father who makes no payments. Just as a key principle of welfare reform has been that poor parents who work should be better off than those who do not, so also should the families of absent parents who pay child support be better off — or at least not worse off — than parents who neglect their obligation to support their absent children. Because current food stamp rules violate this principle, some researchers have warned that these rules effectively discourage child support payments.

Current food stamp rules also "double count" money paid as child support from one poor household to another. This money is counted first as income to the absent parent making the child support payment (*i.e.*, the parent's gross income is counted without any deduction for the amount paid as child support) and then counted again as income to the household that receives the child support payment. This means the same dollars are simultaneously counted as income to two different households, even though these funds can only be used once to buy food and other necessities.

H.R. 529 and the Administration's bill would address this problem. They would exclude legally binding child support payments that a household member makes to support a child outside the household from being counted as income available to the household for food stamp purposes. This change should improve program equity, promote compliance with child support obligations, and provide

more adequate levels of food assistance to children living with parents or stepparents who meet their support obligations to children in other households.

### 3. *Asset limitations*

H.R. 529 and the Administration's bill raise the limit on the market value of a vehicle a household may own before the vehicle begins to be counted against the food stamp assets limit. The current \$4,500 limit is the same limit written into the Act in 1977. It has not been changed since. Yet from 1977 to the present, the Consumer Price Index for used cars has risen 125 percent.

In 1984, President Reagan's Task Force on Food Assistance noted that the limit had not been modified since 1977 and recommended an upward adjustment to \$5,500. The Administration's bill includes such an adjustment. (President Reagan's Task Force said that the lack of any adjustment in the limit was resulting in denial of benefits to some legitimately needy households, such as unemployed households who had purchased a modest car while they were working.)

In 1985, the House did approve an adjustment in the limit, but it was dropped in conference with the Senate. In 1988, an adjustment was passed by the Senate but dropped in conference with the House. By now, nearly a decade has passed since the President's Task Force issued its report. As a consequence, the limit is now significantly more stringent than it was at that point.

It should be noted that the food stamp automobile limit is a "market value" limit rather than an "equity" limit, meaning that a household can be disqualified for food stamps even if it has little equity in its car and would get little for selling it.

The current food stamp rules in this area conflict with the goals of rewarding work and fostering self-sufficiency. Consider the case of a family in which the breadwinner has been laid off, and the family is thrust into poverty as a result. The family may be unable to afford an adequate diet without the aid of food stamps, but may fail to qualify because the market value of its car puts it modestly over the assets limit. Forcing the family to sell its car will make food stamps available — but may make it more difficult for the family's breadwinner to search for and find a job. This is particularly true in many rural areas, where a car may be essential to finding and retaining employment.

Similarly, a family in which a parent works hard but still is poor may need its car for the parent to commute to work. Yet owning the car can cause the family to forgo food stamps even though it is poor and earns wages too low to allow it to purchase an adequate diet.

#### 4. *Basic benefit levels*

Food stamp benefits for any fiscal year are based on the cost of USDA's thrifty food plan in June of the previous fiscal year. Benefits for households with no disposable income are set at 103 percent of the cost of the thrifty food plan in the preceding June. H.R. 529 would raise the basic benefit level to 105 percent of the cost of the thrifty plan in the preceding June. The Administration's bill would raise the benefit level to 104 percent of the cost of the thrifty food plan in June.

Use of the thrifty food plan as a basis for setting food stamp benefits has long been a source of controversy. USDA food consumption surveys show that fewer than one in every six households that has food expenditures equal in cost to the full value of the thrifty food plan obtains the Recommended Daily Allowances for the basic nutrients. Other surveys show that many food stamp households run low on food toward the end of the month.

Basing food stamp benefits on USDA's next lowest cost food plan — the Low Cost Food Plan — would add about \$4 billion a year in program costs. It is not feasible, given budget constraints.

If, however, food stamp benefits are going to be based on the cost of the thrifty food plan, the benefits should at least cover the thrifty food plan's actual cost. Because benefit levels in any fiscal year are based on the cost of the thrifty plan in June of the prior fiscal year, the benefits often fall *below* the current cost of the thrifty plan.

Action which Congress took in 1988 in raising food stamp benefits to 103 percent of the cost of the previous June's thrifty plan helped to address this matter, but did not fully do the job. An historical analysis shows that, on average, the cost of the thrifty food plan during the last half of the fiscal year exceeds the plan's cost in June of the previous fiscal year by more than three percent. The food stamp benefit standard should be adjusted so that food stamp benefits are more likely to afford food stamp households an opportunity throughout the fiscal year to purchase the foods in the thrifty plan. At current rates of inflation, this entails raising the benefit standard from 103 percent of the cost of the thrifty food plan in the preceding year to 104 percent, as the Administration has proposed.

#### 5. *The food stamp household unit*

One aspect of the food stamp benefit structure that adds substantial program complexity and also causes hardship involves the rules for determining when people living together constitute a single food stamp "household." Prior to 1981, individuals living together who purchased food and prepared meals in common were considered

one food stamp household. However, these rules were changed in 1981, changed again in 1982, and changed further in 1987. Each change made the rules more complicated; they are now quite intricate.

The concern that led to the changes in 1981 was a fear that some people who really ought to be combined into one household — such as a husband and wife or a parent and teen-age child — could purchase food and prepare meals separately and apply as separate households. In this manner, a spouse or a child in a non-low income household might be able to maneuver the rules to qualify for food stamps.

The current statutory provisions, however, go beyond what is needed to close this potential loophole. The current rules not only require that spouses and their minor children must be considered a food stamp household regardless of whether they purchase food and prepare meals in common, but also require that in certain cases, adult siblings and their families who are "doubling up" must also be combined into a single household unit — even if they are economically distinct.

This provision makes the program harder to administer and more error-prone. It also makes some legitimately poor families ineligible for food stamps (or eligible for smaller benefits) because they are doubling up with the family of a sibling that is not as low income as they are. It is appropriate to combine such families into a single food stamp household *if* they are sharing food costs, but not if the families are economically distinct and are not sharing food expenditures. Accordingly, H.R. 529 and the Administration's bill would retain the requirement of current law that spouses and their minor children be considered a single food stamp household regardless of whether they purchase and prepare food in common, while removing the provision extending this inflexible and automatic requirement to adult siblings and their families as well. The provision is designed in a manner to reduce substantially the complexity of the current rules and is strongly supported by state administrators.

#### 6. *Pro-rating benefits for households being recertified*

Another policy reform involves the treatment of households being recertified for the food stamp program. The General Accounting Office has reported that the food stamp rules affecting such households can cause hardship.

Prior to 1981, households applying for food stamps received benefits retroactive to the first day of the month of application. Hence, a household applying on November 20 received benefits back to November 1.

In 1981, the Reagan Administration proposed changing this policy, and Congress agreed. Benefits were to be provided from the date of application, not the first day of the month of application.

In proposing this change in 1981, the Reagan Administration specifically recommended that it should apply to new applications — but *not* to households already on the program who were being "recertified" for food stamps. There was a strong policy reason for this distinction.

If a household applies for food stamps on November 20, the reason it did not apply earlier in the month may be that the household did not need food stamps earlier in the month. The household's breadwinner might have been laid off November 10 or 15, rather than on November 1.

By contrast, a poor household that is certified to receive food stamps for a period of time (such as six months) and whose certification period ends on October 31 might be in continuous need of food stamps, but not understand that its certification period had ended and that it consequently needs to go to the food stamp office to be recertified. The Reagan Administration's 1981 proposal specified that if a household already on food stamps came in to be recertified within 30 days of the end of its prior certification period — and if the household was found still to be eligible — it would receive a full month's benefits, in recognition of the fact that there had been no interruption of need.

This approach was adopted by Congress in 1981. In 1982, however, when the Senate Agriculture Committee was a little bit short of its budget target, it extended the requirement to pro-rate food stamp benefits so that this rule also applied at recertification. Under the 1982 provision (which the House accepted in conference), a food stamp household which has a certification period ending on October 30 — but which does not realize its certification is expiring until its benefits for the next month fail to arrive, and which consequently reapplies on November 15 — loses half a month of benefits.<sup>2</sup>

In a report issued in June 1989, the GAO found that this rule was causing hardship and encouraged Congress to consider modifying the pro-rating provisions

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<sup>2</sup> It should be noted that the fact that half a month has gone by does not mean such a household no longer has a need for a full month's allotment. Most households are expected to spend a portion of their own incomes on food, with their funds being supplemented by the food stamp benefit. If a household does not receive its food stamp benefit until the month is half gone, it may have compensated in the interim by spending — during the first half of the month — all or nearly all of the cash income it has available for food *for the entire month*. Hence, the household would need its full monthly food stamp benefits to enable it to purchase an adequate diet for the remainder of the month.

in a manner identical to what Congress had approved in 1981. That is what H.R. 529 and the Administration's bill do. Such a change is needed; the current provision can cause hardship in such circumstances as when an elderly or handicapped person — or a person with limited literacy skills or other problems — does not understand a bureaucratic notice telling the person that his or her food stamp certification period is expiring and that the person needs to submit a new application to remain on the program. In a number of such cases, the household may not understand what has happened until a number of days go by after the time of the month its food stamps or food stamp authorization card normally arrives in the mail. In addition, a household may reapply late because it has been sick; GAO found several such cases in its survey. It would be a humane act to end the proration of benefits at recertification. Some hunger and hardship would be eliminated as a result.

In 1988, Congress did end the proration of benefits at recertification for migrant farmworker households. The reform in H.R. 529 and the Administration's bill would extend the provision already in effect for migrants to the rest of the food stamp caseload.



## APPENDIX 2

## HOUSEHOLDS WITH HIGH SHELTER COSTS

**Data from the American Housing Survey**

Census data show that in 1989, there were 5.3 million poor households in the nation that paid at least 50 percent of their income for housing. These households were spread over all regions.

- Some 1.17 million — or 22 percent — were in the Northeast.
- Some 1.28 million — or 24 percent were in the Midwest, while 1.04 million — or 20 percent — were in the West.
- The largest number — 1.81 million, or 34 percent — were in the South. This is because there are significantly more poor people in the South than in any other region.

If the *percentage* of poor households with housing costs in excess of 50 percent of income is examined, the Northeast is highest — but not by that much. Some 65 percent of all poor households in the Northeast pay at least 50 percent of income for housing but so, for example, do 60 percent of poor households in the West.

Moreover, looking only at the percentage figures gives an incomplete picture; it fails to take into account that the Northeast has the *lowest poverty rate of any region*. While a larger proportion of the poor in that region have high shelter costs, the poor constitute a smaller proportion of the overall population there than anywhere else.

**Data from the Congressional Budget Office**

In 1990, CBO ran some numbers to see which households would be helped by the proposal to eliminate the ceiling on the food stamp shelter deduction. The results show:

- Most are families with children. Some 81 percent of all households that would be assisted are households with children.
- There would be large numbers of households affected in every region of the country. For example, 31 percent of the households affected would be from the Northeast (which as the Census Bureau defines it, includes

New York, New Jersey, and Pennsylvania), but nearly as high a percentage — 25 percent — would be from the South.

(Thus, the view that most of those helped would be from the Northeast is not correct. Seven of every 10 households helped would be from other parts of the country. A somewhat larger percentage of food stamp households in the Northeast than in other regions would be aided, but both the percentage and the number of households assisted is large in every region.)

Raising the shelter cap helps large numbers of households in every region because the cap does not depend solely on housing costs. It also depends on household income. Areas with the highest housing costs also tend to provide well-above-average welfare payments. Areas with low housing costs tend to have lower welfare benefits and below-average wages. Thus, while housing costs are lower in the South than in other regions, wages are also lower in that region — and welfare benefit levels are much lower. Since the shelter deduction equals the amount by which household shelter costs exceed 50 percent of net household income, many households in all regions are affected by the current shelter cap.

TESTIMONY OF ROBERT J. FERSH  
EXECUTIVE DIRECTOR  
FOOD RESEARCH AND ACTION CENTER

Good afternoon. My name is Robert Fersh, and I am the Executive Director of the Food Research and Action Center (FRAC). I would like to thank you, Mr. Chairman, and the other Members of the Subcommittee for inviting me here to testify concerning the critical problem of hunger in this country and to offer our support for passage of the Mickey Leland Childhood Hunger Relief Act. The Leland Bill forwards one of the primary goals of the Campaign to End Childhood Hunger (CTECH), improving the Food Stamp Program. The Campaign combines the efforts of hundreds of state and local anti-hunger advocates, food bankers, religious groups, business leaders and many others in a coordinated fight to end childhood hunger in the United States.

I. It is Time to Pass the Leland Bill

" The last days of each month I cut the size of meals so the food can last all the days of the fourth week." ---Mary, mother of 3.

" My husband and I will make do with beans and potatoes so we make sure the kids can eat." ---Estella, mother of 4.

"My husband cuts the sizes of meals for us or skips meals so that the children get to eat something." --- Christine, mother of 3.

"Sometimes [my son] tries not to eat because he knows that we

do not have enough food." ---Tina, unemployed due to medical emergency, living with sister, mother of 1.

These are the voices of hunger in the United States; they are real people whose stories were documented by the Center on Policy Priorities in Austin, Texas, as part of ongoing surveys for the Community Childhood Hunger Identification Project (CCHIP). The Leland Bill is targeted to help these families, and the millions of people like them who are struggling to feed, house, and clothe their families. They cannot afford to wait any longer for the help they so desperately need. This vital assistance is long overdue.

As the Subcommittee is aware, the Leland Bill, pending since 1990, has strong bipartisan support. Perhaps there is no greater proof that hunger is not a partisan issue than the track record of the Leland Bill. It has passed the House twice on bipartisan votes. In 1990, the Leland Bill passed the House by a 336-83 vote with every Democrat and a majority of Republicans supporting the bill. In 1992, key provisions of the bill were combined with a child welfare bill and approved on the House floor by a 256-163 vote. In 1991, it cleared the House Agriculture Committee unanimously and the Senate Agriculture Committee by a vote of 14 to 1.

This year the Congressional Budget Resolution includes funding to implement the bill: a five year increase of \$7.5 billion for the Food Stamp Program. The House Budget Committee Report stated: the "increased funding would allow the funding of food stamp and other improvements contained in the Mickey Leland Hunger Relief

Act." Similarly, the Senate Budget Committee Report specifically referenced the major provisions of the Leland Bill. Given this context, we urge the Congress to move swiftly, and on a bipartisan basis, to enact this legislation.

## II. A Crisis of Childhood Poverty and Hunger

The nature and extent of the crisis of childhood hunger has been documented by careful and respected research. According to the CCHIP:

- approximately five million children under the age of 12 in the United States go hungry at some point each month;
- on average, these children experience hunger seven days a month, six months a year;
- hungry families have average incomes about 25 percent below the poverty line;
- hungry families spend, on average, over half of their gross incomes on shelter costs, leaving far too little for food and other necessities; and
- hungry children, compared with other low-income children, suffer from two to three times as many individual health problems, such as unwanted weight loss, fatigue, headaches, irritability, inability to concentrate and frequent colds.

These findings, while disturbing, are well-grounded. The National Center of Health Statistics has called CCHIP's methodology "well-developed and executed." The General Accounting Office utilized the definition of hunger developed for CCHIP for the GAO's

1990 report, Recipient and Expert Views on Food Assistance at Four Indian Reservations.

Government studies and reports confirm the health consequences of hunger among children. For example:

- The most recent National Health and Nutrition Examination Survey (NHANES) found that low-income children are more likely to suffer from stunted growth and iron-deficiency (anemia);
- In the late 1980s, the Centers for Disease Control reported that anemia remains a significant problem among low-income children;
- In the mid 1980s, the Joint Nutrition Monitoring Evaluation Committee reported that 1) as income decreases, nutrient levels also decrease and 2) growth stunting and iron deficiency are significant problems among low-income children; and
- In 1990, the U.S. Public Health Service reported that significant numbers of low-income children continue to suffer retarded growth.

Organizations on the front lines of the anti-hunger fight can attest to the acute and growing nature of the crisis. The U.S. Conference of Mayors has documented an annual increase in the demand for emergency food in major U.S. cities since 1983. In 1992 alone, requests for emergency food in survey cities increased on average 18 percent; the number of families with children requesting assistance increased by 14 percent. Similarly, a national survey by Catholic Charities, USA shows that six out of 10 people who went

to Catholic Charities agencies in 1990 needed emergency food or shelter, up dramatically from two out of 10 persons a decade earlier.

**III. The Food Stamp Program and TEFAP: Important Defenses for Poor Children**

The Food Stamp Program is our nation's largest and first defense against hunger. It is the only kind of public assistance that the federal government offers to low-income people no matter what their age or health status. The Program reaches a significant number of poor Americans; as of January 1993, 26.8 million persons were participating in the Program -- 3.5 million more than in June 1990 when the economy started to turn downward. While the recovery moves slowly to produce adequate numbers of jobs, the Food Stamp Program has been vital in tiding many families over.

The Food Stamp Program is well targeted on those most in need. The U.S. Department of Agriculture (USDA) reports that 52 percent of all the people participating in the Food Stamp Program are children -- people whose health status and school attendance were documented by CCHIP as negatively affected by hunger. Over 80 percent of food stamp benefits go to low-income households with children. Indeed, a large proportion of Food Stamp Program participants are the poorest of the poor -- nine out of 10 have gross incomes less than the poverty line and four out of every 10 food stamp recipients have total gross incomes less than half the poverty line.

The Emergency Food Assistance Program (TEFAP) fills an

important gap in our current social services system by providing commodities to families in need. For many, TEFAP is a supplement for food stamps. For others, who may be uncomfortable with the stigma that often attaches to food stamps, it may be the only food assistance received.

Food banks across the country, however, report growing difficulty in meeting the demand created by increases in the number of persons seeking emergency food. The Leland Bill as introduced by then Congressman Leon Panetta and Representative Bill Emerson would strengthen the TEFAP program. We believe strengthening of TEFAP is warranted.

#### IV. The Leland Bill Would Help Families with Children

The Leland Bill would make the Food Stamp Program more effective in combatting hunger. The Leland Bill would improve the Program, increasing access and adequacy of benefits, particularly for families with children and those on the brink of homelessness. Over 90 percent of the Leland Bill's benefits would go to families with children. The Leland Bill would also compensate for additional costs caused by an increased energy tax.

##### A. Repealing the Excess Shelter Cap

The Leland Bill would standardize for all food stamp households the deduction for high shelter costs. Under current law, households may deduct shelter expenses that exceed 50 percent of their incomes, but most are subject to a cap of \$200 a month. The



current cap does not apply to elderly and disabled households. The bill would remove the cap for all households.

CCHIP survey results show that hungry households spend a disproportionate share of their gross income on shelter costs (54 percent) and, therefore, do not have enough money left for food. HUD and Census Bureau data demonstrate that 45 percent of all poor renters spend at least 70 percent of their incomes on shelter costs.

The excess shelter deduction was implemented to avoid forcing households with high housing and utility costs to choose between feeding their families and paying their shelter costs. The cap, however, undercuts the effectiveness of this deduction for families with high shelter costs. Moreover, removal of the cap is particularly important to offset the effects on poor families of the energy tax. Removal of the shelter cap would benefit more than one million families with children across the country.

For example, Ms. Cynthia Mejia and her three year old son live in New York City and currently have income of \$743 per month; their shelter costs for food stamp purposes total \$717. If there were no shelter cap, Ms. Mejia would be able to deduct \$448 in shelter costs, (which is the amount by which her shelter costs exceed 50 percent of her adjusted net income). Because of the present shelter cap of \$200, however, Ms. Mejia can currently deduct only \$200.

The effect of the cap on the amount of benefits the Mejias and families like them receive is dramatic: Ms. Mejia currently is

eligible for only \$57 in food stamps per month; if the shelter cap were removed, she would be eligible for \$153 per month. In other words, enactment of this Leland Bill provision would mean that the average daily meal benefit for her and her son would go from a current \$0.62 to \$1.64.

**B. The Household Definition**

The Leland Bill would allow relatives (except spouses and parents with minor children) to apply separately for food stamps if they buy and cook food separately. Under current law, most parents, their adult children, and siblings must apply together for food stamps even if they do not share resources or buy and cook food together. If one person has too much income or assets, none of the relatives living with him or her can get food stamps.

The current law has the effect of penalizing some food stamp recipients for taking in relatives in need and preventing those in need from moving in with relatives. The current law may also force homeless people to choose between shelter opportunities with a relative and food stamps, which they may lose if they move in with a relative. These rules not only deny needy people food stamps but also may break up families and force people on the brink of homelessness into shelters.

The problem is all too real. Mr. Michael McQuade is an adult from Dover, Delaware, who moved in with his brother and his brother's family in 1992 when he lost his job and became homeless. Mr. McQuade's brother and his wife were each working two jobs to

support themselves, their children and Mr. McQuade's elderly mother. They were barely making ends meet themselves and so could not afford to feed Mr. McQuade. Mr. McQuade applied for food stamps but was denied because current law requires counting his brother's and sister-in-law's income in determining Mr. McQuade's eligibility. As a result, for the months until he was able to find a job, Mr. McQuade was forced to live on the irregular meals he could scrape together from already overburdened charities until he was able to find a job.

Congressional action on the Leland Bill is needed so that homeless persons like Mr. McQuade, who move in with relatives during periods of financial difficulty, do not have to face the indignities of going without food but instead get the food assistance they need.

**C. Positive Initiatives to Encourage Child Support Payment and Collection**

The Leland Bill would offer positive incentives for custodial parents to seek, and absent parents to pay, child support. These provisions: 1) would exclude the first \$50 a month received as child support from consideration as income in determining food stamp allotments for the recipient; and 2) would exclude from income any legally binding child support payments a household member makes to support a child outside his/her household.

Aid to Families with Dependent Children (AFDC) already allows households to keep the first \$50 of child support received each

month. The \$50 exclusion recognizes the importance of having parents assume responsibility for their children: it gives custodial parents an incentive to seek out absent parents and absent parents an incentive to pay child support. The Food Stamp Program currently undercuts these incentives by counting the \$50 payments as income, thereby reducing the household's food stamp allotment.

The second child support provision, exclusion of money paid out as child support, would encourage low-income absent parents to make support payments. It would also ensure that the ability of these parents to feed their current families is not unduly burdened by the performance of their child support obligations. Under present law, no exclusion from income is provided for child support payments an absent parent makes. This means that if an absent parent remarries and has children in his second family--but still has low income--the payments he makes to support the children from his first marriage are counted as though they represented income still available to buy food for his current family.

The Leland Bill provisions would also correct an inequity created by current law under which money paid as child support from one poor household to another is now "double-counted" as income. It is counted first as income to the absent parent making the child support payment (i.e., the parent's gross income is counted without deduction for the amount paid as child support) and then counted again as income to the household that receives the payment. This means the same dollars are counted as income to two different

households, even though these funds can only be used once to buy food and other necessities.

**D. Promoting Self-sufficiency**

The Leland Bill would raise the current \$4,500 limit on the fair market value of vehicles that food stamp recipients may own. The current \$4,500 vehicle limit was written into the Food Stamp Act in 1977 and has not changed since, despite substantial inflation. As inflation has passed the \$4,500 vehicle resource limit by, more and more working families are rendered ineligible for food stamps because of cars they depend upon to get to or look for work. Many working households are faced with selling their cars or foregoing participation on the Food Stamp Program.

The problem is real. Eugene and Debbie Harris and their five children live in Braxton County, West Virginia. The Harrises live in a rural area and own a 1991 Chevy S-10 pick-up truck, which they need for everyday transportation. The Harrises purchased the vehicle on credit and still owe a substantial amount of money on it. In 1991, Mr. Harris lost his job in a local mine; when his unemployment benefits ran out, he applied for food stamps. Because the value of the Harrises' truck exceeds the current limit on vehicles, the Harrises were denied food stamp benefits.

The Leland Bill would make changes to ensure that families like the Harrises are not denied the food assistance they need to feed their children.

The committee may want to consider other changes in asset

policy to assist low-income families. Especially in light of potential expansion of the Earned Income Tax Credit (EITC), we need to make sure that receipt of the lump sum EITC does not force people off the Food Stamp Program. We also need to ensure that families are encouraged to save the EITC money or spend it in a responsible manner.

While we are uncertain how wide and positive an impact it might have, we believe encouraging asset accumulation among the poor could promote greater economic independence in some instances. Some further exploration of this might be warranted.

#### E. Ensuring the Adequacy of Food Stamp Benefits

We support the Leland Bill's provision raising basic food stamp benefits. We know, based on our CCHIP findings, that a large percentage of hungry families are participating in the Food Stamp Program. Most of these families, however, cannot feed themselves for an entire month on food stamps, even when combined with other household income, and find themselves running out of money for food between the second and third weeks.

Supporting this finding, studies indicate inadequacies in the Thrifty Food Plan on which food stamp allotment levels are based. Assumptions upon which the Thrifty Food Plan is based, including assumptions about food storage facilities, food preparation time, and food availability, lend to the inadequacy of the Plan. Studies also indicate that since food stamp benefits are based on the cost of the Thrifty Food Plan four to 16 months earlier, as food prices rise with inflation, food stamp households lag several percentage

points behind in purchasing power. In addition, USDA research shows that, of low-income households whose spending for food (including cash and food stamps) is roughly equal to the maximum food stamp allotment, only 12 percent obtain the Recommended Dietary Allowances for 11 key nutrients.

Food stamps provide an average of only about \$0.75 per person per meal. Although most households add some money for food, it is clearly not enough -- they run out of food in spite of the fact that they participate in the Food Stamp Program.

For example, Martha Bryson is a single mother living in Austin, Texas, with her three children, ages 14, seven, and four. Ms. Bryson works 50 hours a week as an administrative technician and teacher at a hospital for the mentally ill. Although Ms. Bryson works full time, she is unable to feed her family on her income. Ms. Bryson brings home approximately \$1,100 per month in income. Her shelter expenses, including utilities generally total \$450 per month. She pays \$100 per month in premiums for health care for her children and spends approximately \$130 per month repaying student loans. She owns a 1978 Datsun which she needs to get to work.

Ms. Bryson currently receives \$100 per month in food stamps. The benefits do not last the entire month and she often must take her children to food pantries or simply "go hungry" toward the end of the month. Hungry families like the Brysons will benefit from even this modest increase in benefits.

**F. Additional Provisions**

We also applaud additional Leland Bill provisions which would assist persons living in rural areas, homeless persons, high school students, persons with disabilities and other persons with low-incomes to receive the food assistance they so desperately need.

- The bill would help homeless families in transitional housing by excluding from income the full amount of vendor payments (payments made to third parties) for transitional housing for homeless households.
- The bill would assist disabled persons by increasing the resource limit from \$2,000 to \$3,000 for any household containing a disabled member.
- It would strengthen food stamp employment and training (E&T) programs by raising dependent care reimbursements and the reimbursement limit for work-related costs.
- The bill would count as income local or state General Assistance (GA) vendor payments for housing, but would exclude GA vendor payments for other living expenses. This provision would help General Assistance recipients who are "the poorest of the poor."
- It would ease procedures for reapplication for persons who despite continuing eligibility were removed from the program for procedural reasons and are returning to the program after one month.
- It would enable high school students to complete their education by excluding income of all high school students



regardless of their age.

- The bill would assist families in rural areas by excluding as a resource vehicles necessary to carry fuel for heating or water when that fuel or water is the primary source for the household.
- It would increase funding for the Nutritional Assistance Program (NAP) in Puerto Rico.
- It would assure adequate funding for the Food Stamp Program. It would delete from the Act provisions that authorize the reduction of benefits to households and notification to states if the Secretary of Agriculture determines that Food Stamp Program funding is insufficient.

#### IV. Conclusion

We thank you for the opportunity to testify and address the serious needs of families with low-incomes in this country. We at FRAC stand ready to assist the Subcommittee in any way we can. We hope the Subcommittee will take advantage of the opportunities this year presents to make the Food Stamp Program more effective in combatting hunger in America.

The Food Research and Action Center (FRAC), a non-profit 501(c)(3) organization founded in 1970, is a leader in the fight to improve national policies to end hunger in the United States. FRAC is coordinating the Campaign to End Childhood Hunger (CTECH), a comprehensive effort, by hundreds of citizens in 50 states, to end childhood hunger in the United States.

(Attachments follow:)



*Millions of kids are hungry in America.*

## **Campaign to End Childhood Hunger**

Millions of kids are hungry in America.

About five million children under age 12 - 1 in 8 - go hungry each month.

Hunger hurts.

It robs children of proper physical development.

It causes health problems and it interferes with a child's ability to concentrate and learn.

Hunger makes children less likely to reach their potential.

That is why we launched the Campaign to End Childhood Hunger.

**We can end childhood hunger now.**

**Here's the challenge.** The primary cause of hunger in the United States is poverty, and in our country today, one in five children is poor. In the long run, the availability of quality education and training, jobs with living wages, and adequate and affordable housing, child care and health care will lift families out of poverty. *But hungry children cannot wait for the long run.*

**The Campaign is feeding kids today.** The Campaign to End Childhood Hunger is the most ambitious, sustained and coordinated national effort ever undertaken to eliminate hunger in the United States. The Campaign is ensuring that children from families with low incomes are getting the food they need to be healthy and productive. Most notably, the Campaign is playing a major role in:

- increasing national and state funding for the Special Supplemental Food Program for Women, Infants and Children, bringing food to our most vulnerable citizens;
- starting thousands of new school breakfast programs reaching hundreds of thousands of needy children each morning;
- protecting school lunch from damaging budget proposals;
- expanding summer food programs for needy children when school is closed;
- making the child care food program available in family day care homes;
- promoting reforms in the Food Stamp Program to feed hungry families;
- ensuring the distribution of food for the hungry and homeless through The Emergency Food Assistance Program; and
- forging new partnerships and creating new opportunities to ensure that no child goes hungry in this country.

**There is a place for everyone in the Campaign.**

Coordinated by the Food Research and Action Center, the Campaign is being waged actively by hundreds of citizen groups in 50 states. The Campaign's National Advisory Council includes corporate executives, labor union presidents, bipartisan leadership in the U.S. Congress, religious leaders, creative artists and experts in hunger and poverty.

The Campaign has the endorsement of more than 100 national organizations, representing millions of Americans. These groups include the U.S. Conference of Mayors, the Second Harvest National Food Bank Network, the National Urban League, the AFL-CIO, the League of Women Voters, the Children's Defense Fund, and Catholic Charities USA.

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## **Campaign To End Childhood Hunger**

1875 Connecticut Ave. N.W. #540 • Washington, D.C. 20009 • (202)986-2200 • FAX (202)986-2525

At the state and community levels, Campaign coalitions actively involve hunger and poverty advocates, elected leaders, educators, parents, people with low incomes, volunteers, corporate and business leaders, government workers, religious congregations, medical professionals, researchers and many, many others.

The Campaign to End Childhood Hunger is pledged to:

- *Ensure that all of those who are eligible have access to the Special Supplemental Food Program for Women, Infants and Children (WIC).* Participation in WIC results in improved nutrition and significant savings in federal health care costs. Yet, inadequate funding leaves many eligible people without benefits.
- *Expand the availability of the School Breakfast Program and ensure that the National School Lunch Program remains accessible to all children.* Children from low-income households receive up to one-half of their daily nutrient intake from school lunch. School breakfast participation leads to higher test scores and better attendance records. Yet, the School Breakfast Program is available in only half of the schools that offer lunch; and stigma, red tape and other barriers keep many needy children out of the lunchroom.
- *Feed children when they are not in school by greatly expanding use of the Summer Food Service Program for Children and the Child and Adult Care Food Program.* Just a fraction of the low-income children who receive lunch at school have access to summer meals because few eligible sponsors choose to offer them. Likewise, many low-income children go without benefits from the child care food program because their day care providers do not participate.
- *Strengthen our nation's first line of defense against hunger -- the Food Stamp Program -- by supporting program improvements so that children and their families will have enough to eat each month.* One in ten Americans receives food stamps; yet benefits are inadequate. And, millions of children, women and men in need are unable to participate because of program barriers.

And ultimately to:

- *Achieve "food security" so that all people have access to a nutritionally-adequate diet with dignity as a matter of right.*

Here's how we do it.

Working with key groups in every state, the Campaign:

- strengthens local coalitions;
- educates the public on the extent, causes and solutions to hunger;
- promotes increased governmental response to childhood hunger;
- uses the media to get the message out on hungry children;
- engages in groundbreaking research on childhood hunger and poverty;
- conducts national and statewide conferences and skill-building training sessions;
- produces and distributes educational videotapes, fact sheets and reports;
- shares information using computer networks and other technologies.

**Be informed. Be involved.**

If you are not hungry yourself, or living in poverty, or involved in helping those who are, it is all too easy to ignore the misfortune and pain of others. And while many may avert their eyes and close their minds, the problems are real and they are severe. Unless action is taken now, these problems will only increase in magnitude until the cost of attacking them becomes overwhelming and millions of children suffer needlessly.

Millions of kids are hungry in America. Join the Campaign to End Childhood Hunger!

*For information, contact: Food Research and Action Center, 1875 Connecticut Avenue, N.W. #540,  
Washington, D.C. 20009; (202) 986-2200*



*Millions of kids are hungry in America.*

February 1993

## Hunger in the United States

### Extent of Hunger

About five million American children under 12 go hungry each month and millions more are at risk of hunger according to estimates based on the results of the most comprehensive study ever done on childhood hunger in the United States -- the Community Childhood Hunger Identification Project (CCHIP). Hunger was shown to be a major problem among low-income families with children less than 12 years old in all of the CCHIP sites. Based on the results of CCHIP surveys applied to the best available national data, FRAC estimates that approximately 12 percent of all families with children under 12 are hungry. The CCHIP estimates are based on pre-recession data; current hunger rates are probably much higher.

Other private and government surveys conducted throughout the last decade also document dramatic increases in the demand for emergency food:

- Since 1983, the U.S. Conference of Mayors has documented an annual increase in the demand for emergency food in major cities across the nation. In 1992, requests for emergency food increased in the survey cities by an average of 18 percent. The number of families with children requesting assistance increased by 14 percent. Two out of three persons requesting emergency food assistance were members of families. In over two-thirds of the cities, emergency food assistance facilities turned away people in need because of lack of resources. Unemployment and employment-related problems led the list of causes of hunger.
- A national survey conducted by Catholic Charities USA, the nation's largest private human service organization, shows that six out of every 10 people (62 percent) who went to Catholic Charities agencies in 1990 needed emergency food or shelter. Ten years earlier, only two out of every 10 people (23 percent) sought those services.

While no one knows exactly how many people in this country are hungry, there is no question that millions face hunger every month.



### Campaign To End Childhood Hunger

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## Causes of Hunger

During the 1980s and early 1990s, hunger increased primarily due to a combination of economic factors and cuts in federal assistance programs.

Income and poverty data released annually by the U.S. Commerce Department's Bureau of the Census show that the lion's share of the income gains during the seven year economic expansion of the 1980s went to those at the top end of the income scale, while poverty remained consistently high (see "Hunger and Poverty," below). As recession hit in 1990 -- signaled by a slowing economy, increases in the unemployment rate, rapidly growing demand for food stamps and other public assistance programs, and emerging budget crises at all levels of government -- an already high poverty rate began to grow.

Participation in the Food Stamp Program and Aid to Families with Dependent Children (AFDC) have increased substantially in the last few years and are now at all-time high levels. More than seven million people have been added to the food stamp program since the start of the recession. In fact, one in 10 Americans is now receiving food stamps.

The recession that began in 1990 came on top of significant cutbacks in federal programs aiding low-income people in the early 1980s. This weakening of the "safety net" included cuts in programs like AFDC, Medicaid, and Unemployment Compensation, in addition to food assistance programs. According to the Congressional Budget Office, food stamp and child nutrition programs incurred a cumulative cut of \$12.2 billion between fiscal year 1982 and fiscal year 1985. Despite some restoration of funds to these programs, the cuts have had lasting effects.

State and local governments and private charities, which were enlisted to make up for federal cutbacks and budget restraints, are increasingly unable to shoulder the burden. Many states are now in financial crisis and are announcing severe cuts in human services programs. Private charities -- such as soup kitchens and food banks designed to meet emergency need -- find donations unpredictable amid increasing demand. Over 90 percent of the cities participating in the U.S. Conference of Mayors' 1992 survey reported that the recession has increased the problem of hunger in their jurisdictions. And, nine out of ten cities expect the demand for emergency food assistance to increase throughout 1993. Catholic Charities USA, reacting to the results of their survey of local agencies, collected 10,000 letters to Congress voicing support for improvements in the Food Stamp Program to meet the growing need.

Moreover, CCHIP data and other sources indicate that because of barriers to participation, lack of information about eligibility, or inadequate funding, many of the federal food assistance programs are not used by million of people who appear eligible to participate in them. Also, survey results consistently show that food stamp benefits are not sufficient to protect many low-income families from experiencing hunger.

Without significant improvements in the economy and stronger safety-net programs, hunger will persist.

## Hunger and Poverty

Hunger is a condition of poverty. Living below the poverty line puts tremendous strains on a household budget, adversely affecting the ability to purchase a nutritionally adequate diet. In fact, government surveys show that as income goes down, the nutritional adequacy of the diet goes down as well.

According to data released by the U.S. Census Bureau in September 1992, 35.7 million Americans -- or 14.2 percent of our population -- lived in poverty in 1991. This increase, from 33.6 million in 1990, represents the highest number of people in poverty since 1964.

Children continued to be the poorest age group in the country, a tragic distinction they have had for 19 years. In 1991:

- 21.8 percent of all American children -- one in five -- were poor;
- 25.5 percent of children under age three lived below the poverty line;
- for black children, the poverty rate increased from 44.8 percent in 1990 to 46 percent;
- 12.4 percent of all Americans 65 and over were poor;
- the poverty level for a family of four was \$13,924.

Continuing economic stagnation has been particularly difficult for the working poor, whose numbers grew throughout the 1980s. The working poor are at risk of hunger because their income often is not sufficient to cover all of their living expenses, including food. Roughly 15.8 percent of all heads of households living in poverty worked year-round and full time in 1991. Among poor family householders, 50.4 percent worked for some period of time in 1991. The average amount of money needed to raise the incomes of each poor family (including those with working members) to its respective poverty threshold was \$5,515. So, despite efforts to lift themselves and their families out of poverty, wages for many working people were inadequate to do so. And, recession means that even those low-paying jobs may be lost, dropping those families deeper into poverty.

The 1992 poverty figures, reflecting the lingering impact of the recession, may be higher still.

## Health Consequences of Hunger

Hunger and undernutrition contribute to a number of negative health consequences:

- Hungry children suffer from two to three times as many individual health problems, such as unwanted weight loss, fatigue, headaches, irritability, inability to concentrate and frequent colds, as low-income children whose families do not experience food shortages, according to CCHIP.
- The infant mortality rate is closely linked to inadequate quantity or quality in the diet of the infant's mother. The United States ranks 21st among developed nations in preventing infant deaths, down from 16th in 1980. Black infants in the U.S. die at nearly twice the rate of white infants.

- Stunting and wasting in children result from inadequate nutrition. According to the U.S. Public Health Service, the Surgeon General's 1990 goal of eliminating growth retardation of infants and children caused by inadequate diets was not met because significant numbers of low-income children continue to suffer retarded growth.
- Iron-deficiency anemia in children can lead to adverse health effects such as developmental and behavioral disturbances and increased susceptibility to lead poisoning. Anemia remains a significant health problem among low-income children, according to the Centers for Disease Control.
- Hunger has a negative impact on children's ability to learn. Research indicates that low-income children who participate in the School Breakfast Program showed an improvement in standardized test scores and a decrease in tardiness and absenteeism compared to low-income students who did not eat breakfast at school.
- Hunger and malnutrition exacerbate chronic and acute diseases and speed the onset of degenerative diseases among the elderly. This not only leads to an unnecessary decrease in the quality of life for many older people, but also increases the cost of health care in the United States. National data for people ages 65 to 75 show that a majority are not consuming even two-thirds of the nutrients they need to stay healthy.

### **Public Attitudes Toward Hunger**

The public is very concerned about what is seen as a growing hunger problem. A national public-opinion poll released in April 1992 reveals that over 90 percent of registered voters believe that hunger in the U.S. is a serious and growing problem. Hunger ranks with education, health care policy and poverty and homelessness as a serious issue, trailing concerns about unemployment, drugs, the deficit, AIDS and the economy. Unlike these other issues, however, hunger is seen as a very solvable problem.

Voters place the responsibility for ending hunger with the government. It is clearly understood that private feeding efforts, as valuable as they are, are not the most effective way to feed families over time. The poll found very strong support for school breakfast and lunch programs, senior feeding, WIC, and the Food Stamp Program. In fact, when told that half of food stamp recipients are children and that more than 80 percent of food stamp benefits go to families with children, the approval rate for the Food Stamp Program jumped from 61 percent to 81 percent. The sentiment that the government needs to increase its anti-hunger efforts is so strong that voters would be willing to earmark \$100 more in taxes annually to end hunger.

The poll was commissioned for release with the Medford Declaration to End Hunger in the U.S, the broadest collective statement ever made that hunger in this country can and must be ended. The declaration calls for an end to domestic hunger by 1995 through improvements in the federal food

assistance programs and lays the foundation for ending poverty in the U.S. by the end of the decade. The poll was conducted in January 1992 by Dr. Vincent Breglio, Republican pollster for the Wall Street Journal/NBC News monthly surveys and former polling director for the 1988 Bush/Quayle presidential campaign.

### **Federal Food Assistance Programs**

The federal food assistance programs are our nation's first line of defense against hunger. These programs, which are administered by the Food and Nutrition Service of the U.S. Department of Agriculture, are intended to provide access to a nutritionally adequate diet for families and persons with low-incomes, and encourage better eating patterns among the nation's children.

The *Food Stamp Program* improves the nutrition of low-income people by providing coupons or, in some areas, an electronic benefits ("debit") card to cover part or all of a household's food budget. The program operates as an entitlement and is the only food program in the United States that is available to all who meet eligibility standards regardless of their age or family composition. Recent studies, including CCHIP, have shown that current benefit levels are inadequate and millions of children, women and men are denied benefits because of barriers to participation. Reflecting economic difficulties, food stamp participation grew from 24.4 million to 26.4 million people, an 8.06 percent increase, between November 1991 and November 1992.

The *Special Supplemental Food Program for Women, Infants and Children (WIC)* safeguards the health of pregnant, postpartum and breast-feeding women, infants and children who are at nutritional risk because of inadequate nutrition and inadequate income. WIC benefits include supplemental nutritious foods, nutrition education and access to health care. Numerous studies, including a 1991 USDA study and a 1992 GAO study, have found WIC to be both successful in achieving its mission and cost-effective. WIC is not an entitlement program and currently serves roughly 55 percent of those eligible.

The *National School Lunch Program* was started in 1946 as a "measure of national security, to safeguard the health and well-being of the nation's children." In 1970, national guidelines were established for free and reduced-price school lunches for needy children participating in the program. All public and private nonprofit schools are eligible for the program. Lunches are available to all children at participating schools. Authorization for the school lunch program expires in 1995; important changes will be recommended for the program.

The *School Breakfast Program* provides a nutritious morning meal to children in schools. Established in 1966 as a pilot program, it was permanently authorized in 1975. The program operates under the same eligibility criteria and administration as does school lunch. Despite its proven effectiveness in improving school performance and attendance, breakfast is currently available in just over half of those schools offering lunch and serves only 33.1 percent of the number of low-income children served by school lunch.



The *Summer Food Service Program for Children* provides nutritious meals to low-income children during the summer months when school is out. The program is available free to all children under age 18 who attend the meal site of a sponsor organization. Though it is an entitlement, the program serves only 15.5 percent of those children receiving school lunch.

The *Child and Adult Care Food Program* provides nutritious meals for all children up to age 12, handicapped children up to age 15, and handicapped or older adults who participate in nonprofit, licensed or approved day care programs. This entitlement program only serves a small proportion of those who could benefit from its services. While small, this program is one of the fastest growing federal food programs. On average, over 1.5 million children receive benefits from the program each day.

## Conclusion

Hunger in the United States increased significantly during the 1980s, and currently affects the lives of millions. Jobs lost during the 1990-1992 recession, exacerbated by cuts in federal and state safety-net programs early in the 1980s and 1990s, consistently high poverty rates, and budget crises at the state and local levels, have left the poor and near poor extremely vulnerable to hunger.

New and creative thinking is needed to actually end hunger and poverty. Of vital importance is the achievement of food security -- access by all people at all times through normal channels to enough nutritionally adequate food for an active, healthy life. However, those who are hungry, especially children, cannot wait for the long run. The federal food assistance programs -- including the Food Stamp Program, the Special Supplemental Food Program for Women, Infants and Children (WIC), the School Lunch and Breakfast Programs, the Summer Food Program, and the Child and Adult Care Food Program -- are this country's first line of defense against hunger. With improved access, funding and benefit levels, these programs can go a long way toward ending hunger in the United States.

Millions of kids and adults are hungry in America. And we can do something about it.

F·R·A·C

FOOD RESEARCH  
& ACTION CENTER

July 12, 1993

Ms. Julie Paradis  
c/o House Committee on Agriculture  
1301 Longworth House Office Building  
Washington, DC 20515

Dear Ms. <sup>Julie</sup>Paradis:

During his April 28, 1993, testimony before the Subcommittee on Department Operations and Nutrition of the Committee on Agriculture, our Executive Director, Robert J. Fersh, offered to provide the subcommittee with additional information for the hearing record concerning FRAC's response to the Heritage Foundation's claims that childhood hunger is not a serious problem in the United States. Enclosed is the document Mr. Fersh promised the subcommittee for inclusion in the record.

Thanks again for providing FRAC with the opportunity to testify before the subcommittee. In addition, we appreciate the inclusion of our response, "Childhood Hunger in the United States: A Response to Claims that Childhood Hunger Is Not A Problem in the U.S." in the hearing record.

Sincerely,

Edward M. Cooney  
Deputy Director

EMC:as

F·R·A·C



FOOD RESEARCH  
& ACTION CENTER

## CHILDHOOD HUNGER IN THE UNITED STATES:

A Response to Claims That Childhood Hunger Is Not A Problem in the U.S.

by Lynn Parker

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May 1993

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**CHILDHOOD HUNGER IN THE UNITED STATES: A Response to Claims That  
Childhood Hunger Is Not A Problem in the U.S.**

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## CHILDHOOD HUNGER IN THE UNITED STATES

### Introduction and Summary

In March 1991, the Food Research and Action Center (FRAC) released the results of a nationwide survey of childhood hunger -- the Community Childhood Hunger Identification Project (CCHIP). CCHIP was an exhaustive study, asking low-income parents over 100 specific questions about their circumstances. The survey, which was conducted under the guidance of eminent academics and employed widely accepted research methods, documented a serious hunger problem among low-income families with young children in the United States. It also demonstrated associations between hunger and health problems and increased school absenteeism among young children. (Hunger was defined as "the mental and physical condition that comes from not eating enough food due to insufficient economic, family or community resources.")

In August 1991, the Heritage Foundation, an ultra-conservative think tank, released a "backgrounder" titled "Hunger and Malnutrition Among American Children". The Heritage paper sharply criticized the CCHIP survey, arguing that hunger is not a problem for low-income families, and that, in fact, poor children are as well-nourished as non-poor children. It stated that overweight is a major nutritional problem for low-income families, not hunger. In addition, it implied that FRAC's research methods were unreliable, stated that there were no cuts in food and other public assistance programs between 1980 and 1988, and claimed that FRAC's policy recommendations ineffectively address a problem that hardly exists. Since the release of the Heritage Foundation paper, these arguments have shown up from time to time in syndicated columns in selected newspapers.

The claims made in the Heritage Foundation's backgrounder (and subsequently included in an article in the Heritage Foundation's journal Policy Review) are contradicted by the facts. Data cited by the Heritage Foundation paper are selectively -- and often misleadingly -- excerpted from various government surveys. Yet none of the surveys it relies upon sought to measure whether families were hungry. Further, the paper ignored data that show that low-income children are more likely to suffer from stunting (low height for age) and anemia, less likely to meet their Recommended Dietary Allowances for nutrients and less likely to be overweight than non-poor children.

For example, the Departments of Health and Human Services and Agriculture, in a 1986 joint report on nutrition surveillance data, stated that, according to the most recent national data on the growth of children, "Stunting was consistently higher among the population below poverty level than among persons above the poverty level." Regarding iron deficiency, the Public Health Service stated in its 1990 publication, Healthy People 2000, "Chronic iron deficiency in childhood may have adverse effects on growth and development. The prevalence of iron deficiency is higher in black children compared to white children, and is substantially higher in children from families with incomes below the poverty level." (Black children have a much

higher rate of poverty than do white children.) These facts, which indicate that marginal nutrition is still a problem among the poorest children in our nation, are given scant attention in the Heritage Foundation background.

Similarly, the Heritage Foundation paper's harsh criticism of the CCHIP survey methodology is not well-founded. In fact, CCHIP has been used and lauded by the experts. The National Center for Health Statistics (NCHS), whose surveys the Heritage Foundation cites heavily, has called CCHIP "well developed and executed" and stated that it "contributes to our general knowledge about food insufficiency problems in low-income children in this country." Indeed, NCHS has included variants of the CCHIP questions in its major national health and nutrition survey. In their 1990 report, Recipient and Expert Views on Food Assistance at Four Indian Reservations, the General Accounting Office used the definition of hunger developed by CCHIP. Dr. William H. Dietz, chairman of the American Society of Clinical Nutrition/American Institute of Nutrition's joint task force on hunger and malnutrition, has testified before Congress that the CCHIP questionnaire has both internal and theoretical validity. Moreover, the U.S. House of Representatives Select Committee on Hunger recommended in 1990 that CCHIP serve as a model for a national hunger study. (Ironically, even the Policy Review article that critiques CCHIP called its definition of hunger "reasonable.")

In many ways, the view of the world presented by the Heritage Foundation paper is at odds with common sense. Today, one in five (14.3 million) children live in poverty. Countless hunger studies from across the country attest to the severity of the hunger problem, as do soup kitchen and food bank operators from coast to coast. In 1991, Father Thomas J. Harvey, President of Catholic Charities USA, the largest network of private social service agencies in the United States, reported the results of the annual survey of Catholic Charities' local agency activities:

"This national survey shows that in 1990, Catholic Charities spent \$1.6 billion serving more than 8 million people. One-third of them were children. This survey presents a disturbing trend: 62 percent of the people served by Catholic Charities received food, shelter and emergency services in order to stay alive one more day. A decade ago, only 23 percent needed emergency help."

The growing need described by Father Harvey is not surprising in light of the increase in poverty during the last decade and the fact that the poor have become poorer. Between 1979 and 1991 (the most recent year for which data is available) the poverty rate rose from 11.7 percent to 14.2 percent. In fact, there were more people living in poverty in 1991 than in any year since 1964. Unemployment has grown, the result of a weak economy and the permanent loss of jobs that once supported millions of families. Not surprisingly, the number of working poor households has increased. Housing and health care costs consume a larger portion of household budgets. In addition, funding for key federal and state safety net programs have suffered deep cutbacks.

The impact of poverty and limited resources to purchase food are reflected in a study by the U.S. Department of Agriculture, based on data from the Continuing Consumer Expenditure

Diary Surveys of the Bureau of Labor Statistics. The study showed that, while food expenditures of middle and upper income households stayed relatively constant from 1980 to 1988, the food expenditures of poor households fell substantially after adjusting for inflation. In fact, among the poorest fifth of urban households, food expenditures fell 13.1 percent. (Food Spending in American Households, 1980-1988, May 1991)

Considering these statistics, CCHIP's findings paint an unfortunate, but all too credible, picture of hunger among low-income children in America. Hungry families, CCHIP found, had average incomes about 25 percent below the poverty line. On average, they spent over half of their gross income on shelter costs, leaving far too little for food and other necessities. As a result, they spent an average of only about 78 percent of what the Department of Agriculture says is needed to achieve a minimally adequate diet.

The following three sections rebut point by point why assertions that childhood hunger is not a problem in the United States are incorrect:

- o Part I examines government data on the growth of children, their nutritional status, their dietary intake, and the problem of overweight. (No government survey data are currently available on hunger.) It concludes, based on current data, that poor children are more likely to be stunted, iron-deficient, and eating less than they should, and are less likely to be overweight, compared to non-poor children. These data are consistent with CCHIP's finding that chronic food insufficiency is a common problem among low-income families.

- o Part II describes the meticulous care with which FRAC's childhood hunger survey was developed and conducted, pointing out ways in which it surpasses the quality of federal government surveys in its practices.

- o Part III explains the negative consequences of hunger on children's health and ability to learn; describes the negative impact that funding cuts in food programs and other public welfare programs have had on low-income families' food budgets; and reviews government research findings on the effectiveness of the food assistance programs when they reach those who are eligible.



**PART I: Childhood Hunger Is A Significant Problem in the United States.**

The Heritage Foundation paper argues that the CCHIP study findings concerning the extent of childhood hunger in the U.S. are completely contradicted by "serious, scientific" government surveys, and that poor children are, in fact, as well-nourished as affluent children. They also state that overweight is a major nutritional problem for poor families, not hunger.

**The Facts:**

CCHIP results are not contradicted by the surveys cited by the Heritage Foundation paper. In fact, the government surveys they cite have not collected data about hunger. Moreover, the results of "serious, scientific studies" carried out by the federal government are consistent with the CCHIP findings. A careful look at the data from these studies reveals differences between poor and non-poor children that appear to be the result of the kind of chronic, intermittent hunger that CCHIP has documented. Moreover, although overweight is a major problem in the United States, poor children are less likely to be overweight, and more likely to be stunted in their growth, than non-poor children.

**Government Surveys Have Not Collected Data on Extent of Hunger**

Until very recently, the government surveys cited by the Heritage Foundation paper have paid no attention to investigating the problem of hunger. Therefore, it is inaccurate to state that CCHIP is contradicted by "serious scientific surveys." No national surveys released to date contain data about hunger.

It is important to note, however, that national data on hunger have recently been collected, for the first time, by the federal government. The National Health and Nutrition Examination Survey III (under DHHS), includes a series of questions about hunger that are based on those asked by CCHIP. According to the coordinator for nutrition monitoring at the National Center for Health Statistics (NCHS), the agency takes very seriously the importance of measuring hunger in the U.S.: "The 'hunger' or food insufficiency topic was identified during the planning of the Third National Health and Nutrition Survey (NHANES III) as an important topic for inclusion...NCHS supports the need to gather additional information about food insufficiency in the population..." (The results of NHANES III are not yet available.)

### CCHIP: The First Nationwide Effort to Measure the Extent of Hunger

The purpose of CCHIP was to measure the extent of hunger (i.e., food insufficiency due to inadequate resources) among low-income families with young children in the United States -- in order to get a handle on the proportion and kinds of people who are at risk of harm. Its purpose was not to document malnutrition through growth measures, biochemical measures of nutritional status, or detailed information on dietary intake. Rather, its goal was to act as an early warning system for the prevention of malnutrition.

CCHIP defines hunger as "the mental and physical condition that comes from not eating enough food due to insufficient economic, family or community resources." Among the more than 100 questions asked by the CCHIP survey, the questions used to determine the existence of hunger in a low-income family were:

- o Does your household ever run out of money to buy food to make a meal?
- o Do you or adult members of your household ever eat less than you feel you should because there is not enough money for food?
- o Do you or adult members of your household ever cut the size of meals or skip meals because there is not enough money for food?
- o Do your children ever eat less than you feel they should because there is not enough money for food?
- o Do you ever cut the size of your children's meals or do they ever skip meals because there is not enough money for food?
- o Do your children ever say they are hungry because there is not enough food in the house?
- o Do you ever rely on a limited number of foods to feed your children because you are running out of money to buy food for a meal?
- o Do any of your children ever go to bed hungry because there is not enough money to buy food?

Interviewers were explicitly trained that answering "yes" to any of these questions meant that the the food insufficiency being reported was a function of lack of money (including food stamps and WIC vouchers). Respondents were also asked the number of days in the past month and the number of months in the past year for which the answers to each question were affirmative.

Families were classified as hungry if they answered "yes" to five or more of the questions. The responses of hungry families show that, on average, for each of the aspects of hunger to which they answered affirmatively, they experienced it seven days in the past month, and in six months over the past year. Thus, the kind of hunger CCHIP has documented is chronic in nature -- intermittent inadequacy in the amount of food available in the household, and chronic insecurity about whether the family will have enough food.

#### CCHIP Hunger Findings Are Consistent With Government Nutrition Survey Data

The impacts of hunger can be seen as a continuum -- the more chronic the hunger problem, the more likely that signs of undernutrition will be apparent in studies of nutritional status and dietary adequacy. When one looks more closely at the clinical and dietary data available in government surveys, one can see the high levels of hunger among the poor showing up in growth measures, biochemical tests and dietary intake surveys.

There are two general kinds of information that are currently available from nutrition surveys -- (1) information on physiological indicators of nutritional status (i.e., growth measures such as height and weight and biochemical measures such as iron levels in the blood); and (2) data on dietary intake (i.e., the kinds and amounts of foods and nutrients consumed).

There are great difficulties inherent in obtaining accurate information on what and how much people are actually eating, especially when those surveyed lack education or are reporting another person's, for example, their child's, intake. Moreover, by the time physiological indicators such as growth measures and iron levels show an irregularity, deficiencies and many of their health consequences have been a problem for a significant amount of time. Thus, the hunger and health findings from CCHIP can act as early warning signs that food insufficiency is becoming a serious problem among many low-income households.

#### Poor Children More Likely to Be Stunted in Growth

Contrary to assertions made in the Heritage Foundation backgrounder, there are physiological indications in the nutritional status data collected by the government that the nutritional intake of poor children is inferior to that of non-poor children. Specifically, stunting (low height for age), which is the best indicator of chronic mild undernutrition, is more common among poor as compared to non-poor children in the United States. (Nutrition Monitoring in the United States: A Progress Report from the Joint Nutrition Monitoring Evaluation Committee, U.S. Department of Health and Human Services and U.S. Department of Agriculture, 1986) (N.M.U.S.)

In N.M.U.S. the Departments state: "Rapid growth is characteristic of healthy well-fed children. To sustain growth, the child's diet must supply essential nutrients in appropriate quantities. Inadequate supplies of protein, fat, carbohydrates, vitamins, or minerals can

result in growth retardation. If the dietary inadequacy is chronic and mild, the child's linear growth will be slowed, and his height will be low for his age. This condition is termed 'stunting'."

Growth charts are used to compare the distribution of heights and weights one would expect in a healthy population with the actual distribution in the population being surveyed. According to N.M.U.S., "In population surveys, if more than 5 percent of the children fall below the 5th percentile of height for age, one would be concerned about stunting." In the second National Health and Nutrition Examination Survey (NHANES), the most recent national data currently available on the growth of children, "Stunting was consistently higher among the population below poverty level than among persons above the poverty level." In fact, the N.M.U.S. includes a chart (see next page) showing excess levels of stunting among poor children, compared to more affluent children, based on data from NHANES. The chart shows that poor children in the age group surveyed by CCHIP are twice as likely to be below the fifth percentile than are children living above poverty.

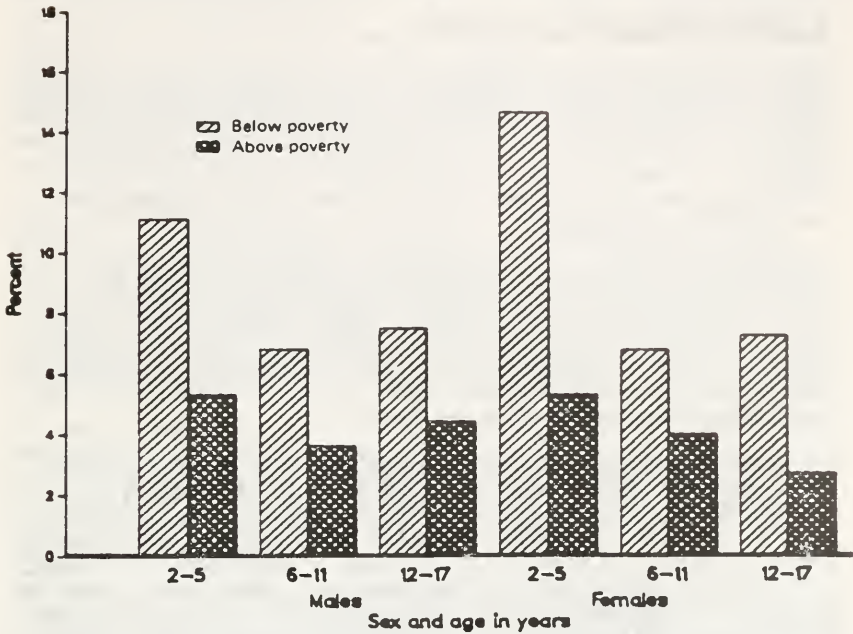
The Public Health Service of the Department of Health and Human Services views growth retardation related to inadequate nutrition as a significant health problem among poor children in the U.S. Its Healthy People 2000 (1990), a nationally recognized set of health promotion and disease prevention objectives for the year 2000, lists among its nutrition objectives: "Reduce growth retardation among low-income children aged 5 and younger to less than 10 percent."

This document, which is being used by DHHS and health departments in every state to determine health services planning and development for the next 10 years, states: "Retardation in linear growth in preschool children serves as an indicator of overall health and development, but may especially reflect the adequacy of a child's diet...a prevalence of more than 5 percent below the fifth percentile for any population subgroup suggests that full growth potential is not being reached by children of that subgroup. This prevalence is exceeded by low-income children in the United States. Among some age and ethnic subgroups of low-income children, up to 16 percent of individuals aged 5 and younger are below the fifth percentile."

Healthy People 2000's recommendations for "interventions to improve linear growth in populations include better nutrition [emphasis added]; improvements in the prevention, diagnosis and treatment of infectious and chronic diseases; and the provision and use of fully adequate health services. Although the response of a population to interventions for growth retardation may not be as rapid as for iron deficiency or underweight, it should be possible to achieve the objective by the year 2000 in all ethnic, socioeconomic and age subgroups."

In fact, growth retardation among low-income children caused by inadequate diets has been a long-term concern of the Public Health Service of DHHS. In 1980, its Objectives for the Nation included, "By 1990 growth retardation of infants and children caused by inadequate diets should have been eliminated in the United States as a public health problem." In

Health 3-26. Percent of children below the NCHS growth chart 5th percentile of height for age, by sex, age, and poverty status: 1976-80



NOTE: See text for definitions.

SOURCE: USDHHS. Data from the National Health and Nutrition Examination Survey.

DHHS's 1990 Health Objectives for the Nation: A Midcourse Review (1985), the Public Health Service stated that, "Based on the CDC [Centers for Disease Control] data, it appears that though modest progress has been made, it is unlikely that this objective will be met."

#### Poor Children More Likely to Be Iron-Deficient

As with growth measures, undernutrition has to be prolonged and/or severe for biochemical signs of undernutrition such as iron deficiency to show up. Nevertheless, income below the poverty level is associated with higher prevalences of abnormal iron status (i.e., iron deficiency) in children one to five years of age and women 25-54 years old, according to N.M.U.S. For example, according to data from NHANES, 20.6 percent of low-income children one to two years old are iron deficient, while only 6.7 percent of children above poverty have this health problem.

The Public Health Service has set as one of its nutrition objectives for the year 2000 (Healthy People 2000, 1990) the reduction of iron deficiency to less than three percent among children aged one through four and among women of child-bearing age. They cite the following reasons for including this objective: "Chronic iron deficiency in childhood may have adverse effects on growth and development. The prevalence of iron deficiency is higher in black children compared to white children, and is substantially higher in children from families with incomes below the poverty level."

The Heritage Foundation paper dismisses the significance of anemia as a problem among low-income children. It argues that a 1987 article by Yip, et al, in the Journal of the American Medical Association (J.A.M.A.) reported a drop in the prevalence of anemia among low-income children. However, the J.A.M.A. article itself states, "Even though the findings of a decline in the prevalence of anemia among low-income children is encouraging, anemia remains an important health or nutrition problem among these children." In addition, the authors of the paper point out that the data were derived from a national survey of only those children enrolled in certain government-funded programs (primarily WIC), and not from the population of non-participating low-income school children, and that the criteria for designating a child as anemic in their study were more stringent than normal. (Only 49 percent of eligible preschool children over one year old are currently being served by the WIC Program, due to inadequate federal funding.) Moreover, the paper speaks only to the issue of anemia prevalence and not to the issue of iron deficiency.

Iron deficiency, which can ultimately result in anemia, begins to cause adverse effects at levels that do not result in anemia. An editorial which appeared in the same issue of the Journal as the Yip paper points out: "Five major studies in children have suggested that behavioral and developmental disturbances associated with iron deficiency are potentially among the worst manifestations of this nutritional disorder and may occur in the absence of anemia. The most recent of these studies indicates the possibility that during early childhood untreated iron deficiency that progresses to severe or chronic anemia may result in behavioral and developmental deficits that are not completely reversible with iron therapy."

### Poor Children Less Likely to Have Nutritionally Adequate Diets

The Heritage Foundation paper also argues that there is no difference in nutrient consumption between poor and non-poor children. As mentioned earlier, food consumption data is inherently biased by many factors, including the varying abilities of individuals to remember and accurately quantify the amount of food they (or their young children) have eaten over a period of time. However, assuming that the food consumption data used is at least a close estimate of kinds and amounts of food eaten, a closer look at the data on which the paper bases its arguments shows a consistent trend toward less adequate nutrient consumption among poor children compared to non-poor children.

In the USDHHS/USDA document referred to frequently in the Heritage Foundation backgrounder -- Nutrition Monitoring in the United States: A Progress Report from the Nutrition Monitoring Evaluation Committee (1986) (N.M.U.S.) -- the Departments state: "Income was found to have a positive, statistically significant effect on the nutrient levels in household diets and individual intakes for participants in the U.S. Department of Agriculture's 1965-1966 food consumption survey, 1977-1978 NFCS, and the 1977-78 Nationwide Food Consumption Survey--Low-Income (NFCS-LI)." In other words, as income increases, nutrient levels increase, and as income goes down, so do nutrient levels.

In an effort to prove that low-income children are as well-nourished as non-poor children, the Heritage Foundation paper uses data from the 1985 Continuing Survey of Food Intake by Individuals, a relatively small USDA survey of women aged 19 to 50 years and children aged one to five years. (No children over five years old were included in this survey.) However, the data from this survey are given only a superficial perusal, and thus the real story these data tell has been lost.

The argument that poor children are as well-nourished as non-poor children is based on comparing average (or "mean") consumption. However, comparing "means" in a population often obscures the reality represented by the data. This is because a large percentage of individuals in the population being surveyed can have inadequate intakes of a nutrient, while the average intake of the nutrient by the group may appear adequate.

The following table uses the same data on poor and non-poor children from the USDA Continuing Survey that were used by the Heritage Foundation in arguing that poor children are as well-nourished as non-poor children. However, this table shows the percentage of children in the survey, at incomes below 100 percent of poverty (based on data from 311 children) and above 300 percent poverty (based on 78 children) who consume less than 100 percent of the Recommended Dietary Allowances (RDA). With the exception of thiamin and zinc, more of the children in the poor group are consuming less than 100 percent of the RDA of each nutrient listed than are children in the higher-income group.

The table also shows that, for quite a few of the nutrients examined, the magnitude of the difference between poor and non-poor is large. For example, 63.7 percent of poor children

are below 100 percent of the RDA for food energy (calories), while only 39.6 percent of those with higher incomes fall below 100 percent for calories. Other striking differences include Vitamin A (21.4 percent versus 9.4 percent), Vitamin C (21.7 percent versus 11.5 percent), Vitamin B6 (45.2 percent versus 19.8 percent), and magnesium (44.2 percent versus 17.3 percent).

Percentage of Children One to Five Years With Intakes Below 100 Percent of the Recommended Dietary Allowances, 1985

	Income Below 100% of Poverty Level	Income Above 300% of Poverty Level
Food Energy	63.7	39.6
Vitamin A	21.4	9.4
Vitamin E	64.0	51.6
Vitamin C	21.7	11.5
Thiamin	12.2	12.3
Riboflavin	8.2	2.8
Niacin	20.6	11.2
Vitamin B-6	45.2	18.8
Folacin	28.3	22.6
Vitamin B-12	9.4	6.2
Calcium	55.7	50.1
Phosphorus	24.6	15.2
Magnesium	44.2	17.3
Zinc	86.5	87.7

Sources: USDA: Nationwide Food Consumption Survey - Continuing Survey of Food Intakes by Individuals: Low-Income Women 19-50 years and Their Children 1-5 years, 4 days (NFCS, CSFII Report No. 85 - 5) and Women 19 - 50 Years and Their Children 1-5 Years, 4 days (NFCS, CSFII Report No. 85-4)



In summary, despite the similarities in the mean intakes, the data show that, for virtually every nutrient studied, fewer poor children one to five years in this USDA survey met the RDA, compared to higher-income children.

#### Poor Children Less Likely to Be Overweight

The Heritage Foundation paper claims that current data and knowledge concerning the problem of overweight in the United States are not consistent with CCHIP's findings about the extent of hunger among low-income families in the United States. However, this claim is misleading. It is true that overweight occurs more frequently among women living below the poverty level, than it does in women whose incomes are above the poverty level. However, the opposite is true for poor men and poor children. Men above poverty are somewhat more likely to be overweight than men living below poverty. Even more important to point out is that the incidence of overweight is lower among low-income children than it is among non-poor children. (Dietz, William, and Stephen Gortmaker, "Factors Within the Physical Environment Associated With Childhood Obesity," American Journal of Clinical Nutrition, vol. 39, pp 6.19-24, 1984)

Thus, it is only among poor women that the problem of overweight is worse, and this phenomenon is not well-understood by researchers. In fact, the 1985 and 1986 USDA Continuing Surveys of Food Intakes by Individuals show that women in the lowest income households reported lower food energy intakes than did women in the highest income households, and their intakes in energy, and most other vitamins and minerals studied, were below the RDA and below the average levels consumed by non-poor women. Indeed, some researchers speculate that overweight may be a physiological response to the periodic food deprivation that poor women often experience.

**PART II: The Quality of the CCHIP Survey Methodology Is Very High.**

The Heritage Foundation paper argues that the CCHIP study is "flawed" and that it asks "vague" and "highly subjective questions about whether they [low-income families] would like to have more or a wider variety of foods."

**The Facts:**

The Heritage Foundation paper seriously misrepresents the methods used in the Community Childhood Hunger Identification Project (CCHIP) survey. CCHIP was developed and conducted using meticulous and widely accepted research methods. The quality of its research practices compares well with, and often surpasses, government surveys. In fact, its approach to measuring food insufficiency has been lauded by the agency within the Department of Health and Human Services that is responsible for conducting the National Health and Nutrition Examination Survey (NHANES) and was used by them in the development of hunger questions for their most recent national nutrition survey, NHANES III.

**CCHIP Questions Appropriate for Documenting Hunger**

A review of the hunger questions asked in the CCHIP survey (see pages 4 and 5 for a list of the questions) shows that the Heritage Foundation paper's characterization of the hunger questions is inaccurate. These are not vague questions about wanting more or a wider variety of foods; rather they are questions about not being able to purchase enough food for one's family because "there is not enough money for food." These questions have to do with running out of money (including food stamps and WIC vouchers) to buy food, eating less than one should, skipping meals, cutting the size of meals, and children going to bed hungry. Moreover, for each question, families were asked how many months this occurred in the last year, and how many days in the past month. CCHIP interviewers went through exhaustive training on how to ensure that the survey questions asked of respondents were completely understood and answered accurately.

The questions chosen for the CCHIP survey ask for self-reports of food shortages due to lack of resources. The use of self-reporting is an accepted practice in survey research. In fact, the National Health Interview Survey, a survey conducted annually by the National Center of Health Statistics, asks respondents to assess their own health as excellent, very good, good, fair or poor. More specific to the problem of hunger, the National Center for Health Statistics is currently using a series of hunger questions requiring self-reporting, similar to those asked in the CCHIP survey, in their NHANES III survey. Indeed, self-reporting of food sufficiency and constraints to obtaining food has been recommended as an important component of the core indicators of nutritional well-being by the widely respected Life Sciences Research Office of the Federation of American Societies for Experimental Biology (*Core Indicators of Nutritional State for Difficult-to-Sample Populations*, July 1990).

### CCHIP Research Methods Praised by Experts

The Heritage Foundation paper argues that the research methods employed in CCHIP were faulty. Yet, others have attested to the high quality and integrity of the CCHIP survey methodology. The National Center for Health Statistics (NCHS) has called CCHIP, "well developed and executed" and has stated that it "contributes to our general knowledge about food insufficiency problems in low income families in this country...We commend you and the completion of CCHIP study and its contribution and approach to assessing a difficult topic in nutrition monitoring." Indeed, as mentioned in the previous section, NCHS has included variants of the CCHIP questions in its most recent National Health and Nutrition Examination Survey (NHANES III).

In addition, the 1990 General Accounting Office report, Recipient and Expert Views on Food Assistance at Four Indian Reservations, used the definition of hunger developed for CCHIP. Dr. William H. Dietz, Chair of the Joint Task Force on Hunger and Nutrition of the American Society of Clinical Nutrition and the American Institute of Nutrition, stated in testimony before the U.S. Congress, "The [CCHIP] questionnaire has both internal and theoretical validity." The U.S. House of Representatives Select Committee on Hunger recommended that CCHIP serve as a model for a national hunger survey.

Moreover, from the very beginning of the project, CCHIP has been under the constant guidance of a distinguished panel of child health and research experts from respected academic institutions such as Yale University, Harvard University, Boston University, the University of North Carolina at Chapel Hill, and the Albert Einstein College of Medicine.

### CCHIP Research Methods Similar to Those Used in Standard Government Surveys

The Heritage Foundation implies that the CCHIP research methods were less reliable than those used by the federal government to conduct national surveys. In fact, the basic methods employed in CCHIP are quite similar to those employed in government surveys. For example:

- o Pretest and Pilot -- The questions and methodology utilized in the CCHIP survey were pretested and piloted in several sites according to widely accepted survey techniques.
- o Sampling Methods -- Either a simple random sample or a two-stage, area probability sampling strategy with a standard cluster design was employed in each of the seven sites included in the national CCHIP report. This ensured that each sample was representative of the population of low-income families with at least one child under 12 years old living within the specified geographic area surveyed. Both of these sampling methods are scientifically accepted. In fact, the multi-stage, stratified area probability sample is the

same design used in the Nationwide Food Consumption Survey cited by the Heritage Foundation paper.

- o Training and Hiring of Interviewers -- Trained interviewers conducted 2,335 one-hour, face-to-face interviews with the families who were randomly chosen to be in the sample, asking 100 questions about their circumstances. Interviewers were hired for each survey locally, to assure a match between sex, age range, race/ethnicity and sociodemographic status of the interviewers and prospective respondents. Face-to-face interviews were conducted to minimize error and potential bias introduced by illiteracy, lack of telephone service, and low motivation to return mail surveys. Moreover, since the reliability and validity of a study depend, in large measure, on consistency, the principal investigator and a trainer from the national project conducted a five day training session for all potential CCHIP interviewers.
- o Response Rates -- Follow-up methods were rigorously applied to a degree unparalleled by most national surveys. Four call-backs to an address were required on two different days, including at least one evening or weekend day, before a household was classified as non-responsive. All non-responsive households and refusals were reassigned to a second interviewer to ensure acceptable response rates.

The average response rate among eligible families for the seven sites surveyed was 80 percent. This is well within academic standards and surpasses those of many national surveys. (For example, the USDA's 1977-78 Nationwide Food Consumption Survey had a response rate of 57 percent. Moreover, the 1985 Continuing Survey of Food Intakes by Individuals (CSFII) which the Heritage Foundation paper cites concerning dietary adequacy, had a response rate of 57.5 percent and the 1986 CSFII had a response rate of 66.4 percent.)

- o Quality Control and Data Analysis -- There were several levels of quality control of the data. These included review by field supervisors of the questionnaires for completeness, and central staff review of the questionnaires to detect errors in coding the answers. Finally, all of the data analyses were performed by computer using the SAS Statistical Software Package, a widely used package in social science research. A conservative level of statistical significance was employed in interpreting the survey results in order to reduce the possibility of reporting significant findings where there were none.

### PART III: FRAC's CCHIP Study Focuses Attention On Real Problems and Proven Solutions

The Heritage Foundation paper says that FRAC's policy proposals concerning the Food Stamp Program, WIC and the School Breakfast Program are misguided and that FRAC research only "distracts attention from the serious problems that face poor families today." According to the paper, any nutritional problems that do exist among poor children can and should be handled through the provision of vitamin and mineral supplements by existing food programs. They also argue that during the last decade, there were no cuts in food and welfare programs.

#### The Facts:

The proposed solution to the problem of hunger among children recommended by the Heritage Foundation paper is not consistent with what is known about hunger in the U.S., what is recommended by scientific experts, and what has been learned through years of painstaking evaluations of the food assistance programs. Moreover, food assistance programs, as well as other federally funded programs that assist low-income families, were, in fact, cut substantially during the last decade. The numbers used in the Heritage Foundation paper do not tell the full story. Many effective programs do not yet reach those who need them, or do not provide adequate benefits to those who do participate. Finally, poor families are more vulnerable to hunger than non-poor families, and focusing attention and action on this very real problem should not be seen as "distracting from other problems." Hunger is as much a part of the lives of poor families as any of the other problems associated with poverty. Adequate nutrition is a prerequisite to success in school and productivity in the workplace. Thus, FRAC's research focuses attention on a serious problem related to poverty that can have significant negative consequences for poor children and their families.

#### Heritage Foundation Paper's Solution to Hunger Does Not Make Nutritional Sense

The current consensus of nutrition researchers, health professionals and the medical community is contrary to the Heritage Foundation paper's proposed solution to the nutritional problems of low-income children. The Institute of Medicine of the National Academy of Sciences recommends: "Foods rather than vitamin and mineral supplements should serve as the sole source of nutrients to meet dietary recommendations in government food programs. It would not be acceptable to this committee were the government to suggest as a cost-cutting measure the use of dietary supplements or their equivalent (highly fortified products) instead of the planning of menus which meet or come close to meeting, the Recommended Dietary Allowances (RDA)." (Improving America's Diet and Health: From Recommendations to Action, 1991) This is because it has not been possible to set RDA for all nutrients that may

be needed by the human body. Providing access to a wide variety of foods that meet the RDA is sounder nutrition policy than depending on vitamin and mineral supplements to ensure nutritional adequacy.

What poor and hungry families and their children really need is sufficient food, and they need this food to be accessible to them on a regular, rather than sporadic, basis. The food assistance programs currently in place can play a crucial role in ameliorating the chronic hunger that results from poverty.

#### FRAC Policy Recommendations Are Based on Sound Research

FRAC's policy recommendations seek to improve the adequacy of the food assistance programs and increase access to these important programs, because these programs have been shown to work:

- o Nutrition Monitoring in the United States: A Progress Report from the Joint Nutrition Monitoring Evaluation Committee (USDHHS and USDA, 1986), a reference to which the Heritage Foundation backgrounder frequently refers, states: "In general, Government food assistance programs have a positive, statistically significant effect on dietary levels of nutrients. Analysis of data from the NFCS-LI [Nationwide Food Consumption Survey of Low-Income] showed the nutrient levels of household diets and individual intakes to be higher for members of households participating in the Food Stamp Program and/or Special Supplemental Food Program for Women, Infants and Children than for members of similar nonparticipating households. NFCS data also show that children who participated in school breakfast and/or lunch programs had higher nutrient intakes than non-participants had."
- o According to U.S. Department of Agriculture research, households participating in the Food Stamp Program, on average, spend more on food and purchase more food, than do low-income non-participating households. Research shows that the quantity of food purchased is the primary factor differentiating among low-income households as to whether they achieve the Recommended Dietary Allowances (RDAs). USDA research also demonstrates that increases in food stamp benefits lead to increased consumption of nutrients by participating households. In fact, for every one-dollar increase in food stamp benefits, nutrient consumption by a household is increased three to seven times higher than it would have been by a one-dollar increase in cash income. (Assessing the Dietary Effects of the Food Stamp Program, Volumes I and II, 1989; The Food Choices of Low-Income Households, 1988)
- o USDA has evaluated the nutritional and health impacts of WIC in a comprehensive, nationwide survey, and found that WIC participation is associated with improved nutritional intake for women, infants and children, as well as improved prenatal care, better immunization, superior cognitive development, and reduced fetal deaths. (Rush, David, et. al., "The National WIC Evaluation: Evaluation of the Special

Supplemental Food Program for Women, Infants, and Children," American Journal of Clinical Nutrition, 1988) Countless other studies carried out by the U.S. Department of Agriculture and by independent researchers at universities and in public health departments have demonstrated WIC's effectiveness, both in the nutrition and health benefits it provides to women, infants and children, and the health care cost savings that result from participation in the WIC Program.

- o In addition to the research referred to previously concerning the nutritional impact of the **School Breakfast Program**, a 1987 study of elementary school-age children found an improvement in standardized achievement test scores and rates of attendance and tardiness with participation in the School Breakfast Program. (Meyers, A., et. al., "School Breakfast and School Performance," American Journal of Diseases of Children," October 1989) Moreover, students participating in the School Lunch Program have been shown to have higher intakes of energy and more nutrients than students who do not participate in any of the school nutrition programs. (U.S. Department of Agriculture, The National Evaluation of School Nutrition Programs, 1983)

#### CCHIP Results and Government Data on Food Programs Support Need for Program Improvements

FRAC's policy recommendations make sense, based on the findings of the CCHIP survey, and other information that is available about the operation of the food assistance programs:

- o Improve access to and benefits from the Food Stamp Program:

According to CCHIP and government studies, lack of information about program eligibility is a key factor inhibiting participation in the Food Stamp Program by eligible, needy low-income households. In order to be eligible for the Food Stamp Program, households must have gross incomes below 130 percent of the poverty line (\$18,135 for a family of four), net incomes of less than the poverty level (\$13,950 for a family of four), and resources totalling no more than \$2,000 (sometimes including at least part of the value of their car). Yet, according to a 1988 Congressional Budget Office (CBO) report, only 41 to 58 percent of the households that are eligible to receive food stamp benefits were participating in the Program. This CBO analysis also estimated that among eligible households with monthly incomes less than \$400, 38 to 51 percent were not participating in the Food Stamp Program. (Congressional Budget Office, The Food Stamp Program: Eligibility and Participation, November 1988.)

Another major policy goal for FRAC that is related to the Food Stamp Program is an increase in food stamp benefits. Major problems with the adequacy of food stamp benefits have been documented. For example, several studies from across the country have demonstrated that households cannot purchase the foods in the Thrifty Food Plan

(the marketbasket upon which the food stamp allotment is based) when they spend the equivalent of the maximum food stamp benefit. In addition, excessive shelter costs, lack of transportation to less expensive stores, inadequate storage and preparation facilities at home, special dietary requirements, and a number of other factors make it very difficult for food stamp households to purchase sufficient food for their families. (U.S. House of Representatives, Subcommittee on Domestic Marketing, Consumer Relations and Nutrition, A Review of the Thrifty Food Plan and its Use in the Food Stamp Program, 1985; Crockett, Elizabeth, et.al., "Audit and Evaluation of Food Program Use in New York State: Food Price Survey", 1989)

On average, families in the CCHIP survey who were participating in the Food Stamp Program spent only 80 percent of the cost of the Thrifty Food Plan (the lowest cost USDA food plan, developed by to determine maximum food stamp benefits) on food, even when counting cash spent on food, food stamps and WIC benefits. Anecdotal stories and descriptive surveys from across the nation attest that many food stamp households seek emergency food at food pantries and soup kitchens on a regular basis when their stamps run out. It is not surprising, considering this information, that 40 percent of the food stamp households interviewed in the CCHIP study were hungry.

- o Ensure that all eligible low-income women, infants and children receive assistance through the Special Supplemental Food Program for Women, Infants and Children (WIC) :

The most recent eligibility estimation data from the Congressional Budget Office indicate that WIC is unable to serve many of the women and children eligible for the program. Due to funding constraints, WIC serves less than half of the potentially eligible children (49 percent) and only 58 percent of the eligible new mothers. A separate and significant concern is that, in any given month, only 54 percent of the pregnant women eligible for WIC are served.

It is important to remember that in order to be determined eligible for participation in WIC, one must be both income-eligible and medically certified as nutritionally-at-risk (i.e., abnormal weight gain during pregnancy; growth problems such as stunting, underweight or obesity; iron deficiency anemia; or inadequate dietary pattern.) Thus, WIC is not able to serve millions of low-income women and children who are at nutritional risk and who we know could be helped by the program's preventive benefits. The WIC program not only provides a monthly package of nutritious foods worth about \$40 tailored to the dietary needs of infants, children and pregnant, postpartum and breast-feeding women; it also offers nutrition education to participants, and refers them to medical care and other social services.

- o Increase the availability of the School Breakfast Program to low-income children across the country and encourage Federal, state and local policies to ensure that the National School Lunch Program remains broadly accessible to all such children :



According to USDA statistics on School Breakfast Program participation, only 53.5 percent of the schools that offer the School Lunch Program also offer the School Breakfast Program. Moreover, only 33.1 percent of the low-income children who receive lunch at school participate in the School Breakfast Program (12.6 million low-income children participate in the Lunch Program, while only 4.2 million low-income children receive breakfasts at school).

The School Breakfast Program can be very important to the health and well-being of low-income children. The CCHIP survey revealed that low-income children who were eating both school breakfast and school lunch were significantly less likely to suffer from problems associated with low energy reserves (fatigue, irritability and inability to concentrate) than those who were getting school lunch only. In addition, children in the families surveyed were less likely to have increased school absences if they received a breakfast at school.

#### Increased Poverty and Reductions in Public Assistance Program Funding Put Enormous Pressures on Family Food Budgets

Very real and quite substantial cuts were made in federal funding for food and other public assistance programs during the 1980s. For example, as a result of reductions enacted in 1981 and 1982, federal outlays for food stamp benefits fell 13 percent from fiscal year 1981 to fiscal year 1988, after adjusting for inflation. In addition, child nutrition program funding was cut by 28 percent in the early 1980s. From 1981 on, appropriations for low-income non-entitlement programs were also cut substantially, including a 46 percent drop in the Low-Income Energy Assistance Program and a 56 percent decrease in funding for housing assistance for the elderly and handicapped. (Center on Budget Policy Priorities, "Notes on Reagan Legacy Issues Related to Poverty and Low-Income Programs," January 1989)

The impact of the 1980s food and welfare program funding reductions can be illustrated by examining, with the help of Census data, their impact on poverty. While 19 percent of families with children who were poor before receipt of government cash assistance programs were lifted out of poverty by that assistance in 1979, only 10.5 percent of such families were lifted from poverty by cash assistance in 1987. Even when non-cash benefits are considered, the story is the same. In 1979, 36.6 percent of the people in families with children that were poor before receipt of government assistance were lifted from poverty by cash, food, housing and tax benefits. In 1988, only 23.6 percent of the people were lifted from poverty by this government assistance. (Testimony before the House Committee on Ways and Means, March 13, 1991 by Robert Greenstein, Executive Director, Center on Budget and Policy Priorities) Poverty and increased constraints on family food budgets go hand in hand.

It is important to understand that during the 1980's there were major negative trends at work in the extent and severity of poverty and in the adequacy of welfare, unemployment insurance and housing program funds. These trends (described below) decreased poor families' overall food purchasing power.

o There was an increase in the number of poor people. In 1980, 29.3 million Americans lived below the poverty line, according to Census figures; by 1988, 31.8 million did. In 1991, the number of people in poverty reached 35.7 million and it is virtually certain that 1992 poverty numbers will rise even higher.

o The increases in poverty were most severe for children. In 1991, 21.8 percent (14.3 million) of all American children were poor, and more than one out of four children under age three (25.5 percent) was poor. For Black children, the poverty rate increased to 46 percent in 1991. Among White and Hispanic children, the poverty rates were 16.8 percent and 40.4 percent.

o The poor became poorer. From 1980 to 1988, the income of the average poor family fell further below the poverty line, because of lower wages and declining benefits in Aid to Families with Dependent Children (AFDC), a basic cash welfare program.

The declining benefits in AFDC reflect an erosion in these benefits over time. For example, from 1980 to 1990, AFDC benefits for a family of three with no other income fell 18 percent in the typical state, after adjusting for inflation. Moreover, from 1972 to 1990, the average food stamp and AFDC benefits combined for a family of four with no other income fell by 22.5 percent. It should not be surprising, then, that in 1990 a family of four with no other income only received 2.8 percent more combined AFDC and food stamp benefits than they did from AFDC alone in 1960. (The Food Stamp Program did not exist in 1960.) In other words, AFDC benefits have fallen so much that in 1990, the combined value of AFDC and food stamp benefits was close to the value of AFDC alone in 1960, before the Food Stamp Program was ever created. (Committee on Ways and Means, Overview of Entitlement Programs, May 1991)

Because the Food Stamp Program takes into account all other income, people who are poorer receive more food stamps. Thus, when AFDC benefits do not keep pace with need, food stamp benefits increase. However, for each \$10 drop in AFDC benefits, families receive only \$3 more in food stamps. This is a net loss of \$7, making families poorer overall and less able to purchase a nutritionally adequate diet.

o Another major factor that has made purchasing adequate diets more difficult is the skyrocketing cost of housing. According to the American Housing Survey data for 1989, released jointly by the U.S. Census Bureau and the U.S. Department of Housing and Urban Development (HUD), 81 percent of poor renter households paid 30 percent or more of their income on housing. (HUD defines affordable housing as costing less than 30 percent of income.) Moreover, 56 percent of poor renters spent at least half of their income on housing. Despite the substantial and growing demand for housing assistance, appropriations for federal housing programs were cut sharply

in the 1980s. Indeed, the number of poor renter households not receiving any housing assistance is larger today than in the late 1970s. High housing costs put enormous pressure on a poor family's household budget, and often leave little cash available to purchase food.

In summary, the food budget of the average poor family is under extraordinary pressure because of the combination of erosion in wages, especially for lower paying jobs, and reductions in public assistance benefits at the state and federal levels. The impact of poverty and the resulting limited resources for the purchase of food are reflected dramatically in a study by USDA (Food Spending in American Households, 1980-1988, May 1991), based on data from the Continuing Consumer Expenditure Diary Surveys of the Bureau of Labor Statistics. While food expenditures of middle and upper income households stayed relatively constant from 1980 to 1988, the food expenditures of poor households fell substantially, after adjusting for inflation. In fact, among the poorest fifth of urban households, food expenditures per person fell by 13.1 percent.

#### Hunger Is a Serious Problem for Poor Families in the U.S.

Hunger has serious, negative consequences. According to current knowledge in the field of nutrition, the kind of chronic undernutrition that results from hunger leads to increased susceptibility to infection, reduced height for age, and iron deficiency. Recent research on the positive impact of participation in the School Breakfast Program on achievement test scores indicates an association between chronic periods of hunger and the ability to learn. (Meyers, A., "School Breakfast and School Performance," Journal of Diseases of Children, October 1989) Even short-term hunger seems to have an effect on children's ability to learn. Laboratory research using middle class elementary school students as subjects, with and without breakfast, showed that they did significantly better on school-type tasks when they had eaten breakfast. (Pollitt, E., et al., "Brief Fasting, Stress, and Cognition in Children," American Journal of Clinical Nutrition, August 1981)

Beyond the compelling physical and cognitive aspects of chronic hunger, there is also a psychological component that is difficult to measure but very real. A child whose family often has too little to eat in the midst of the affluent United States must wonder about his self-worth and the responsiveness of the adult world to his needs. Along with all the other problems of poverty, his parents must also deal with the constant insecurity of not knowing where their next meal will come from.

To claim that there is no hunger in the U.S. flies in the face of the countless reports from communities across the country on increasing numbers of people, including more families, at emergency food sites. For example, since 1983, the U.S. Conference of Mayors has documented an annual increase in the demand for emergency food in major cities across the nation. In 1992, requests for emergency food increased in the survey cities by an average of 18 percent. Just over two out of every three persons requesting emergency food assistance were members of families with children. In over two-thirds of the cities, emergency food

assistance facilities turned away people in need because of lack of resources. Catholic Charities U.S.A., the largest network of private social service agencies in the U.S., reported that in 1990 its local agencies saw almost a three-fold increase in people seeking food shelter and emergency services. Of the 8 million people Catholic Charities served in 1990, one-third were children.

Americans see that the hunger problem is worsening. Nine out of 10 registered voters polled last year by a Republican research firm labeled hunger a serious issue. The intensity of concern more than doubled compared to a similar 1984 poll. Nearly six out of 10 voters felt that hunger had worsened in their communities in the last five years, and that hunger was making its presence felt among the middle class as well as the poor.

Even the controversial President's Task Force on Food Assistance appointed by then President Ronald Reagan, reported in 1984: "There is hunger in America; this is an intolerable situation." They also added: "The Task Force cannot report definitive evidence on the extent of hunger as it is commonly defined. We do not suggest that anyone be complacent about the hunger problem simply because the problem cannot be quantified with complete accuracy."

The CCHIP survey, using meticulous research methodology, paints a "number-picture" of the extent of the problem of hunger, and its consequences, among poor families. Of the 2,335 low-income households with children interviewed in the CCHIP survey, 32 percent were hungry and many others reported hunger-related problems. Families that experienced hunger suffered from it for an average of seven days per month and six months over the past year. The average incomes of hungry families were nearly 25 percent below the poverty line. They spent over half of their income on shelter and a third on food. They were only able to spend an average of 68 cents per person per meal. When compared with children from non-hungry families, children from hungry families were much more likely to suffer from infection-based health problems and were two to three times more likely to show symptoms of low-energy stores in the six-month period prior to the survey. Children who were hungry were also more likely to be absent from school.

### **Conclusion**

In the early 1980s, with the onset of a recession and major cuts in public assistance programs, individuals and organizations across the country noticed a growing number of families seeking help at emergency food programs. These concerned people believed that the problem of poverty-related food shortages was growing. They wanted to document what they were seeing in their communities in a way that would be convincing to skeptical policy-makers who did not encounter the problem of hunger every day. The Community Childhood Hunger Identification Project was developed, in as honest and careful a way as possible, in response to this need for documentation.

What FRAC discovered in carrying out the survey in communities across the country -- a substantial rate of hunger among low-income children -- is not surprising to anyone who is poor, who runs a food pantry, or who pays close attention to the number of children who are living below the poverty level in the United States. Moreover, the kind of chronic food shortages CCHIP documented is quite consistent with what is known about the nutritional problems of poor children -- based on government data on growth measures, biochemical tests, and food intake.

Along with the many other challenges they face because of lack of money, poor families suffer from food insufficiency. They need jobs, and better paying jobs, higher quality education, affordable housing, and adequate health care. But they also need food, and resources to purchase food. The food assistance programs already in place can (and do) make an enormous and positive difference in the lives of these families. In a country with the vast resources of the United States, allowing poor families to suffer chronic food shortages, and constant insecurity over the adequacy of household food supplies, makes no sense. Turning our backs on a problem that has a negative impact on children's health and well-being, especially when it affects millions of families with young children, and is eminently solvable, would be an irresponsible course for our nation to take. If we truly care about children and about the future productivity and health of our economy, we need to solve this problem now.



LARRY JONES INTERNATIONAL MINISTRIES, INC.

Post Office Box 36, Oklahoma City, OK 73101-0036 • 405/942-0238 • Larry Jones, President



## WRITTEN TESTIMONY OF REVEREND LARRY JONES

Mr. Chairman and members of the subcommittee:

Thank you Mr. Chairman and members of the subcommittee for inviting me to speak on behalf of the hungry children here in America.

I know that we cannot solve all the hunger problems that we are facing, but as we listen here today to one another, it is obvious that we are striving for a common goal. I'm sure that hunger in America is beyond our ability to eradicate and we cannot immunize hunger like smallpox and measles. However, we can control the further spreading of hunger.

### I. PROBLEM: HUNGER STATISTICS ARE RAPIDLY RISING

All of us here today are too familiar with the recent statistics that:

- 35.7 million Americans are living in poverty as reported by the Census Bureau; and
- 14.3 million are children, the largest number of poor children since 1965;
- which means 1 in 5 American children are living in poverty;
- 60% of children under age 6, who live with a single mother, are poor;
- 25.7 million Americans depend on the food stamp program;
- In Texas alone, every 7 minutes a baby is born into poverty;
- In Oklahoma, the DHS provided over 33 million pounds of commodities to needy individuals last year;
- Also, the TEFAP program in Oklahoma provided food to over 100,000 families last year.

We often times wonder -- who and where are these people that continually need food assistance and why do the numbers continue to inflate? Typically, Americans think that they are "those people," not "us." I am constantly reminded of the disbelief among average

Americans that hunger exists in our country. A couple months ago I was in our President's home state - Dumas, Arkansas to be exact - and we interviewed many rural, hard-working families who are trying, but just cannot make ends meet. After their interview was televised, my staff was asked "Where do you get these actors and actresses?" Mr. Chairman and subcommittee members, they were not actors and actresses, but real people with a real everyday problem.

Who are "these people?" Contrary to popular belief, the majority of poor children are not Black, and not on welfare. Also, they live in working families and they live in small towns, rural communities and suburban America. In 1989, the parents of 3.5 million families with children worked, but were still poor. A particular group that receives very little, if any, attention is the non-Hispanic whites. Their rate of poverty is growing faster than any other group and the frightening news is that many Americans are not aware of their existence.

Why are the non-Hispanic white poverty numbers growing disproportionately? It is quick and easy to obtain media footage and interviews of the inner-city poor, who are mostly Black. The non-Hispanic whites are not concentrated in an urban area, but scattered throughout the hills of Arkansas and West Virginia, along the Appalachian Trail and the Mississippi Delta. Because it takes a lot of effort to reach them, the depth of their poverty level is nearly unknown. Therefore, they receive very little food assistance and their numbers are rapidly multiplying.

As Joseph Brodsky has said "it is a battle not between bad and good, but between bad and worse."

## **II. SOLUTION: JOBS; BUT TEFAP "IN THE MEANTIME"**

We are kidding ourselves if we think that the government can solve this problem. The real problem is job loss.

I recall a commercial many years ago with three older women analyzing hamburgers from different restaurants and one woman asked "Where's the beef?"

While many economists today are painting a picture that depicts a recovering economy, the man on the street is asking "Where are the jobs?"

Then the Senate passed a \$4 billion unemployment benefit package and the House is expected to approve it this week. I ask you "Where are the jobs?"

Only 12 weeks ago, the following corporations announced the following job cuts:

Sears - 50,000 jobs

IBM - 25,000 jobs

Boeing - 20,000 jobs

United Technologies - 10,500 jobs

McDonnell Douglas - 8,700 jobs

Eastman Kodak - 2,000 jobs

The incumbents of these announced job cuts are your typical hard-working Americans who prepared themselves to be a responsible American citizen. When their job ends soon, they too will ask, "Where are the jobs?"

Although the answer to this question requires a long-term solution, there is a solution that provides temporary relief for the man on the street who is asking "Where are the jobs?" like the family I met in Dumas, Arkansas -- that is The Emergency Food Assistance Program.

Dr. E.V. Hill, a personal friend of former President Reagan's, recalled one of their meetings where the President stated that he wanted to see every person in America employed



with a secure future ahead. Dr. Hill replied "good, Mr. President, but what about the meantime?"

That meeting was nearly a decade ago, Mr. Chairman and subcommittee members, we are still "in the meantime." For those who don't believe that TEFAP is helping people, the late Congressman Claude Pepper said "If more politicians in this country were thinking about the next generation instead of the next election, it might be better for the United States and the world."

Seventy per cent of the relief in this country is handled through non-governmental organizations. Feed The Children provides food for food pantries in all 48 lower states, plus the District of Columbia.

It is one thing to debate the hunger problem in this country, but when you stand in front of a family refrigerator and the mother is crying because it is empty, you do not want to debate TEFAP.

If you're thinking of dropping TEFAP, Woodrow Wilson said "Caution is a confidential agent of selfishness."

"In the meantime," millions of American's daily survival depends on programs like TEFAP.

### **III. CONCLUSION: Today We Can Feed The Children**

Some people are slow to help lower income families either because they do not fit their definition of a family, such as babies born out of wedlock, or belief that the parents are just plain lazy. The answer to why these children are poor is important, but should not be a criteria in order for a child to receive food. Otherwise, these innocent children are being penalized for their parents faults at the expense of a stronger, healthier American future.

Each of us here today witnessed 24 children burn to their death last week in Waco,

and we mourned and asked "Why didn't they let the children out?"

Today, we can decide, let's get the children out of hunger. Help sometimes comes a day late and a dollar short. For the Waco children, it was a day late. For 1 in 5 American children, help is a dollar short.

Fifteen years from now, I hope we do not have to ask "Why are our young adults not fully developed?" Today's children are the poorest age group -- two times as likely to be as poor as elderly people. In fact, hungry children are two to three times more likely to suffer health problems than the elderly. Lack of nourishment today will breed less-developed adults incapable of competing in a global market for jobs. The current decline of jobs will continue if we do not feed the children of today so that they can fully develop physically, emotionally and mentally at the same level as today's children in Asia and Europe.

I cannot forget the Waco children.

Let's decide today not to be a dollar short. We cannot afford to forget the children in Arkansas, the Appalachian kids and our native American children on reservations or any child who goes to bed hungry in these United States of America.

Thank you.

**TESTIMONY**

by

**CHRIS REBSTOCK  
DIRECTOR OF NETWORK SERVICES  
SECOND HARVEST  
NATIONAL FOOD BANK NETWORK**

**INTRODUCTION**

CHAIRMAN STENHOLM, MEMBERS OF THE COMMITTEE, I WOULD LIKE TO THANK YOU FOR THE INVITATION TO SPEAK TO YOU TODAY ABOUT THE IMPORTANCE OF THE EMERGENCY FOOD ASSISTANCE PROGRAM (TEFAP) ON THE NETWORK OF FOOD BANKS AND ITS ABILITY TO SERVE THE HUNGRY.

SECOND HARVEST IS THE NATIONAL NETWORK OF FOOD BANKS. TO PROVIDE CONTEXT, SECOND HARVEST DEFINES A FOOD BANK NOT AS THE LOCAL CHURCH OR COMMUNITY CENTER PANTRY, BUT AS A FOOD WAREHOUSE. OUR 185 MEMBER FOOD BANKS ARE PRIVATE NON-PROFIT ORGANIZATIONS ENGAGED IN THE SOLICITATION, INSPECTION, STORAGE, AND RE-DISTRIBUTION OF EVERY KIND OF FOOD PRODUCT PRODUCED IN THIS COUNTRY.

THE VAST MAJORITY OF THE PRODUCT IS DONATED BY THE FOOD INDUSTRY. OTHER SOURCES INCLUDE FOOD COLLECTED THROUGH FOOD DRIVES, PRODUCTS PURCHASED WITH PRIVATE AND LOCAL GOVERNMENT FUNDS, AND FEDERAL COMMODITIES OBTAINED THROUGH TEFAP, SOUP KITCHEN/FOOD BANK PROGRAM, AND THE COMMODITY SUPPLEMENTAL FOODS PROGRAM.

THE MAJORITY OF THE FOOD DISTRIBUTED BY FOOD BANKS IS DISTRIBUTED NOT TO INDIVIDUALS BUT TO OTHER 501(C)(3) ORGANIZATIONS ENGAGED IN THE DIRECT SERVICE OF INDIVIDUALS IN NEED -- AGENCIES SUCH AS SOUP KITCHENS, EMERGENCY PANTRIES, DAY CARE CENTERS, SENIOR CENTERS, REHAB PROGRAMS, SHELTERS, THE RED CROSS, AND OTHERS. IN 1992, OUR NETWORK PROVIDED PRODUCTS TO MORE THAN 47,000 SUCH AGENCIES THROUGHOUT THE 50 STATES AND PUERTO RICO.

AS YOU ARE AWARE, TEFAP IS THE OUT GROWTH OF AN EFFORT IN THE EARLY 1980's BY THE REAGAN ADMINISTRATION TO ADDRESS THE GROWING INVENTORIES OF SURPLUS AGRICULTURAL PRODUCTS AMASSED BY THE U. S. DEPARTMENT OF AGRICULTURE THROUGH PRICE SUPPORT PROGRAMS. THE DECISION WAS MADE TO DISTRIBUTE THESE COMMODITIES TO HUNGRY AMERICANS.

IN 1983, THE PROGRAM BECAME FORMALIZED UNDER THE NAME TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM AND FUNDING WAS APPROPRIATED TO SUPPORT THE STORAGE AND DISTRIBUTION COSTS INCURRED AT THE STATE AND LOCAL LEVEL.

IN 1988, THE HUNGER PREVENTION ACT AUTHORIZED THE APPROPRIATION OF FUNDS TO PURCHASE COMMODITIES TO SUPPLEMENT THE PROGRAM. THE AUTHORIZED SPENDING LEVEL FOR FY89 WAS SET AT \$120 MILLION. THIS ACT ALSO DID TWO MORE THINGS RELEVANT TO THE DISTRIBUTION OF FEDERAL COMMODITIES TO THE NEEDY. FIRST, IT AUTHORIZED THE APPROPRIATION OF \$32 MILLION FOR THE PURCHASE OF COMMODITIES FOR DISTRIBUTION THROUGH SOUP KITCHENS AND FOOD BANKS TO HOMELESS/HUNGRY INDIVIDUALS. SECOND, IT BROADENED THE ALLOWABLE COSTS TO BE COVERED BY THE \$50 MILLION STORAGE AND DISTRIBUTION FUNDS TO INCLUDE THE DISTRIBUTION OF THE SOUP KITCHEN/FOOD BANK COMMODITIES AS WELL AS NON-FEDERAL PRIVATELY DONATED PRODUCTS.

FINALLY, IN 1990, THE FARM BILL MADE THIS "TEMPORARY" PROGRAM PERMANENT AND RENAMED IT THE EMERGENCY FOOD ASSISTANCE PROGRAM.

THE PROGRAM WAS AUTHORIZED THROUGH FY94 AND AN INCREASING SCHEDULE OF FUNDING WAS DESIGNED TO SUPPORT AND MAINTAIN THE PROGRAM. CLEARLY, THE NATURE OF THE PROGRAM WAS CHANGED AS A RESULT OF THIS ACTION. THE FOCUS WAS REDIRECTED FROM THAT OF A DEALING WITH SURPLUS INVENTORIES TO ATTEMPTING TO PPROVIDE RESOURCES FOR HUNGRY CITIZENS.

### **THE NEED**

THE TOTAL POUNDAGE DISTRIBUTED BY THE SECOND HARVEST NETWORK IN 1992 WAS MORE THAN 900 MILLION POUNDS. OF THIS AMOUNT, MORE THAN 153 MILLION POUNDS WERE FEDERAL COMMODITIES FROM TEFAP, THE SOUP KITCHEN/FOOD BANK COMMODITIES PROGRAM, AND THE COMMODITY SUPPLEMENTAL FOOD PROGRAM. THE NETWORK DISTRIBUTED ROUGHLY 35% OF ALL TEFAP PRODUCT AND SOUP KITCHEN/FOOD BANK PROGRAM COMMODITIES DISTRIBUTED IN FY91.

GIVEN THE ENORMITY OF THE "VOLUNTEER" EFFORT REQUIRED TO MAKE THE NETWORK FUNCTION, i.e. BOARDS OF DIRECTORS, VOLUNTEER STAFF ASSISTANCE, PRIVATELY DONATED FOOD, FINANCIAL SUPPORT, TRANSPORTATION, WAREHOUSING, TECHNICAL ASSISTANCE, ETC., THESE FIGURES ARE QUITE IMPRESSIVE. YET, IN SPIE OF THE THESE FIGURES, WE CONTINUE TO LACK THE RESOURCES TO KEEP PACE WITH THE PROBLEM.

OUR MEMBERS, AND THE 47,000 CHARITIES THEY REPRESENT, REPORT A CONTINUALLY INCREASING NEED AT THE LOCAL LEVEL. IN 1992, THE AVERAGE NETWORK FOOD BANK EXPERIENCED ROUGHLY AN 18% INCREASE IN DEMAND

FOR SERVICE. IT COMES AS NO SURPRISE, AS I AM SURE YOU HAVE HEARD FROM OTHERS, THAT THE MOST RAPIDLY GROWING SEGMENT OF THE POPULATION AT RISK IS THE WORKING POOR. (WHILE WE LACK FIRM SCIENTIFIC STATISTICS AT THIS POINT, WE ARE IN THE MIDST OF A NATIONAL STUDY OF THE 47,000 AGENCIES SERVED BY THE NETWORK TO GATHER SUCH STATISTICS. WE EXPECT TO HAVE THIS INFORMATION BY THE END OF THE YEAR.) WE DO KNOW, ON THE BASIS OF RECENT GOVERNMENT REPORTS, THAT MORE THAN 1 IN 10 AMERICANS IS RECEIVING FOOD STAMPS -- A RECORD NUMBER OF PROGRAM PARTICIPANTS. THE FOOD RESEARCH AND ACTION CENTER'S RECENT STUDY OF CHILDHOOD HUNGER INDICATES THAT 1 IN 4 AMERICAN CHILDREN LACKS ADEQUATE NUTRITIONAL SUPPORT.

THE FACT THAT THE FOOD BANK NETWORK IS THE PORT OF LAST RESORT MAKES THIS INFORMATION PARTICULARLY DISTURBING. PEOPLE DO NOT TEND TO SHOW UP AT SOUP KITCHENS OR COMMUNITY PANTRIES UNTIL THEY HAVE EXHAUSTED ALL OTHER RESOURCES. SO WHEN A FAMILY DOES SEEK ASSISTANCE AT ONE OF THESE ORGANIZATIONS AND FINDS THE SHELVES BARE, THEY HAVE NO WHERE ELSE TO TURN. ACCORDING TO THE U. S. CONFERENCE OF MAYORS, 15% OF THOSE SEEKING ASSISTANCE AT EMERGENCY FEEDING SITES WERE EITHER TURNED AWAY DUE TO LACK OF RESOURCES OR WERE PROVIDED INADEQUATE ASSISTANCE TO MEET THEIR NEED.

### **THE PROGNOSIS FOR MEETING THE NEED**

AT OUR NATIONAL CONFERENCE LAST SUMMER, A PANEL OF FOOD INDUSTRY REPRESENTATIVES ADDRESSED THE ASSEMBLY ON THE SUBJECT OF TRENDS IN

THE INDUSTRY AND THE POTENTIAL IMPACT ON DONATIONS OF INDUSTRY SURPLUSES. THE REPORT WAS NOT GOOD. MORE AND MORE OF THE COMPANIES ARE MOVING TOWARD OPERATING PHILOSOPHIES BASED ON ZERO-DEFECTS OR TOTAL QUALITY. THERE IS NO QUESTION THAT THIS MOVEMENT IS TO THE BENEFIT OF THE CONSUMER. FEWER ERRORS MEAN LOWER PRICES. TIGHTER OPERATING CONTROLS MEAN IMPROVED PRODUCT QUALITY. IN THIS CASE, HOWEVER, THE CONSUMER'S BENEFIT SPELLS DIFFICULTY FOR THOSE OF US SCRAMBLING TO GENERATE MORE RESOURCES TO ASSIST THOSE WHO CAN'T AFFORD TO BE "THE CONSUMER".

PLEASE DON'T MISUNDERSTAND ME. WE SALUTE THE INDUSTRY FOR ITS EFFORTS ON BEHALF OF OUR CONSTITUENTS AND WE APPLAUD THEIR MOVEMENT TOWARD IMPROVING THEIR SERVICE TO THE CONSUMER. WE JUST NEED TO BECOME MORE CREATIVE IN SEARCHING OUT ADDITIONAL PRODUCT RESOURCES FROM THE INDUSTRY.

SUPPLIES ARE NOT ONLY DWINDLING FROM THE PRIVATE SECTOR, HOWEVER. THE COMMODITIES AVAILABLE THROUGH TEFAP ARE DISAPPEARING AS WELL. ALTHOUGH THE QUANTITIES PROCURED WITH THE FUNDS APPROPRIATED FOR PURCHASE HAVE BEEN RELATIVELY STABLE OVER THE PAST THREE YEARS, THE QUANTITIES AVAILABLE THROUGH BONUS COMMODITIES HAVE STEADILY DECREASED. IN 1987, NEARLY \$1 BILLION WORTH OF BONUS COMMODITIES WERE DISTRIBUTED. THESE INCLUDED SEVEN PRODUCTS: CHEESE, NON-FAT DRY MILK, HONEY, RICE, FLOUR, CORNMEAL, AND BUTTER. IN FY93, ONLY TWO COMMODITIES ARE AVAILABLE: CORNMEAL AND BUTTER.

IN SOME STATES, FOOD BANKS MERGE THE TEFAP COMMODITIES INTO THEIR REGULAR INVENTORIES, ENABLING THEIR MEMBER AGENCIES TO MIX THESE COMMODITIES WITH OTHER PRIVATELY DONATED PRODUCTS. THE RESULT IS A BALANCED PACKAGE OF FOOD PRODUCTS FOR THE MOST NEEDY. OTHER STATES HAVE BEEN FORCED TO REDUCE THE FREQUENCY OF THEIR MASS DISTRIBUTIONS, AND HAVE HAD TO RESTRICT THE AMOUNT OF PRODUCT DISTRIBUTED TO EACH HOUSEHOLD, REGARDLESS OF THE QUANTITY GUIDELINES PROVIDED BY USDA.

### **THE IMPACT OF REDUCED STORAGE/DISTRIBUTION FUNDS**

THE FUNDS FOR STORAGE AND DISTRIBUTION OF TEFAP AND SOUP KITCHEN/FOOD BANK COMMODITIES WERE CUT 10% -- FROM \$50 MILLION TO \$45 MILLION -- FOR FY92 AND FY93. THE THINKING WHICH LED TO THIS CUT WAS THAT A REDUCTION IN PRODUCTS AVAILABLE FOR DISTRIBUTION EQUALS A REDUCTION IN THE NEED FOR FUNDS TO UNDERWRITE IT. WHILE SEEMINGLY LOGICAL, THIS THINKING MISSES THE POINT: THE FUNDS WERE INSUFFICIENT IN THE FIRST PLACE.

THE AVERAGE FOOD BANK SPENDS BETWEEN 12 AND 13 CENTS TO DISTRIBUTE A POUND OF FOOD. THIS LOW COST IS DIRECTLY ATTRIBUTABLE TO THE CREATIVITY OF FOOD BANKERS AND THE EXTENSIVE VOLUNTEER SUPPORT OF THE NETWORK (IN EXCESS OF 4,164,000 HOURS IN 1992). IT DOES MEAN, HOWEVER, THAT THE AVERAGE FOOD BANK FACES A LARGE FUNDRAISING NEED EVERY YEAR IN ORDER TO MEET ITS \$656,000 BUDGET. IT IS ESTIMATED THAT WITH THE CURRENT LEVEL OF SUPPORT FROM THE STORAGE AND DISTRIBUTION FUNDS, THE FOOD BANKS ARE LOSING AN AVERAGE OF 2.5 TO 3



CENTS PER POUND. THAT TRANSLATES TO APPROXIMATELY \$3.5 MILLION WHICH MUST BE RAISED BY FOOD BANKS OR APPROXIMATELY \$12 MILLION WHICH MUST BE RAISED BY ALL TEFAP DISTRIBUTORS JUST TO KEEP THE PROGRAM GOING.

### **TEFAP: JUST A PIECE OF THE WHOLE**

IT IS IMPORTANT THAT TEFAP AND THE SOUP KITCHEN/FOOD BANK COMMODITIES BE VIEWED FOR WHAT THEY ARE -- A PART, ALBEIT A VERY IMPORTANT PART, OF THE TOTAL COMPLEMENT OF FEDERAL FOOD ASSISTANCE PROGRAMS. DESPITE THE TENDENCY TO PIT ONE PROGRAM AGAINST ANOTHER, EACH MUST BE EVALUATED ON THE BASIS OF ITS TARGET POPULATION AND THE NEED IT FILLS FOR THAT POPULATION.

THERE IS SOME OVERLAP; THAT IS TRUE. BUT THERE IS ALSO EVIDENCE THAT TEFAP REACHES A LARGE SEGMENT OF THE HUNGRY POPULATION WHICH IS UNTOUCHED BY FOOD STAMPS, WIC, SCHOOL BREAKFAST AND LUNCH PROGRAMS, ETC. THIS SEGMENT INCLUDES A SIGNIFICANT NUMBER OF PEOPLE IN THE RURAL AREAS OF THE COUNTRY AND A NUMBER OF THE WORKING POOR WHO JUST BARELY EXCEED THE REQUIREMENTS OF THE NEEDS TESTS OF OTHER PROGRAMS.

### **RECOMMENDATIONS**

I WOULD LIKE TO OFFER SEVERAL RECOMMENDATIONS TO THE SUB-COMMITTEE TO SUPPORT TEFAP AND THE OTHER COMMODITY DISTRIBUTION PROGRAMS.

1. CONGRESS SHOULD PASS AND SUPPORT FUNDING OF THE MICKEY LELAND CHILDHOOD HUNGER RELIEF ACT (HR529) WHICH PROVIDES FOR FULL FUNDING OF THE AUTHORIZED AMOUNTS FOR TEFAP PRODUCT PURCHASES (\$170 MILLION) AND STORAGE AND DISTRIBUTION COSTS (\$50 MILLION) FOR FY94.
  
4. CONGRESS SHOULD ESTABLISH A CONGRESSIONAL COMMITTEE COMPRISED OF REPRESENTATIVES FROM STATE ADMINISTRATIONS AND PRIVATE NON-PROFIT ENTITIES ENGAGED IN COMMODITY DISTRIBUTION, i.e. AMERICAN COMMODITY DISTRIBUTION ASSOCIATION, FOOD RESEARCH AND ACTION CENTER, SECOND HARVEST, AND OTHERS. THE PURPOSE OF THE COMMITTEE WOULD BE TO EXAMINE THE POTENTIAL SAVINGS OF COMBINING CERTAIN COMMODITY PROGRAMS WHICH TARGET THE SAME POPULATIONS. THESE WOULD INCLUDE TEFAP, SOUP KITCHEN/FOOD BANK, AND CHARITABLE INSTITUTIONS PROGRAMS. SUCH CONSOLIDATION MAY DECREASE DUPLICATION AND INCREASE EFFECTIVENESS AND EFFICIENCY.

IN CLOSING, I WANT TO THANK THE SUB-COMMITTEE FOR ITS INTEREST IN AND CONCERN FOR THIS VERY PRESSING ISSUE. THE DISTRIBUTION SYSTEM IS IN PLACE. THE NEED, UNFORTUNATELY, IS GROWING. WHAT IS LACKING ARE THE RESOURCES. PLEASE TAKE THESE CHALLENGES, AS I ASSURE YOU THE FOOD BANKING COMMUNITY WILL, AND LET'S USE OUR COLLECTIVE CREATIVITY TO SEE TO IT THAT THIS ISSUE WILL NOT BE THE DRIVING CONCERN OF THE 21ST CENTURY. THANK YOU FOR YOUR TIME.

Governor Lawton Chiles (FL)  
 Chairman  
 National Commission to  
 Prevent Infant Mortality

NATIONAL  
**HEALTH/EDUCATION**  
 CONSORTIUM

William S. Woodside  
 Chairman of the Board  
 Institute for Educational  
 Leadership

**FOR RELEASE APRIL 28, 1993 OR THEREAFTER**

Contact: Madalene B. Milano  
 Karen Troccoli  
 (202)205-8364

**NEW STUDY HIGHLIGHTS IMPACT AND STATUS OF CHILD NUTRITION  
 PROGRAMS IN THE U.S.**

**Solutions Cited to Improve Nutritional Status and Learning Potential  
 of Children at All Socioeconomic Levels**

Washington, DC -- Stymied by lack of funding, and bureaucratic and attitudinal barriers, many child nutrition programs leave children of all socioeconomic levels at risk for poor nutrition and learning, according to a new study by the National/Health Education Consortium (NHEC).

*Eat to Learn, Learn to Eat: The Link Between Nutrition and Learning in Children.* released today at a hearing of the House Agriculture Subcommittee on Department Operations and Nutrition, was prepared by the National Health/Education Consortium -- a joint initiative of the National Commission to Prevent Infant Mortality (NCPIM) and the Institute for Educational Leadership (IEL). The NHEC seeks to effectively integrate health and education programs, policies and practices throughout the United States. The report is based on research and discussions with experts in nutrition, children's health and education.

"It is deplorable that in the United States one out of every eight children under the age of 12 goes to bed hungry at night, and many more don't even know what good nutrition means," said Florida Governor Lawton Chiles, chairman of the NCPIM and co-chairman of the Consortium. "What's even more frustrating is that, although programs are in place that can change these facts, we allow them to remain under-utilized. We're kidding ourselves if we expect our children to grow up healthy and ready to learn."

(MORE)

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The report points to many public and private programs in place that address children's nutrition and nutrition education. The National School Lunch Program (NSLP), the School Breakfast Program (SBP), the Food Stamp Program, the Special Supplemental Food Program for Women, Infants and Children (WIC), the Child and Adult Care Food Program, the Summer Food Service Program for Children, and the Nutrition Education and Training (NET) Program are examples of government programs that have demonstrated significant, positive effects on the nutritional status of children and their ability to learn in school. However, their impacts are compromised by under-funding, red tape and misconceptions about their intent and benefits.

According to the report:

- o The U.S. General Accounting Office calculated that for the initial investment of \$296 million in WIC funding for 1990, the total savings in health and education related expenses over the next 18 years total \$1.036 billion. However, because of limited funding, only 60 percent of those eligible for WIC receive benefits.
- o Families with children receive approximately 83 percent of all Food Stamp Benefits. However, many Food Stamp households cannot purchase an adequate diet with the resources available to them.
- o The USDA's National Evaluation of the School Nutrition Programs found that "students who participate in the School Lunch Program get more than nonparticipants of almost all nutrients that were examined." It also projected that over 600,000 students who normally skip breakfast would eat breakfast if it were available in their schools. Meanwhile, however, federal subsidies have been reduced, USDA 'bonus' commodities have vanished; and administrative complexity and costs have increased dramatically. Consequently, over 200 schools have dropped out of the school lunch and breakfast programs in the last two years. When a school drops out, all students, including poor students, are denied access to these programs.
- o It has been estimated that 4.2 million eligible poor students are not applying for free and reduced-price school meals. Some students see the programs as being for low-income children only, even though this is not true. The resulting "stigma" associated with participation deters many children and parents from electing to participate in the school breakfast and lunch programs. Other parents may be deterred by the free and reduced-price lunch application form, which tends to be quite complex.

Evidence of the link between nutrition and learning in children comes from both scientific research and anecdotal evidence. Alan Meyers, MD, MPH, a pediatrician at Boston City Hospital who testified at today's hearings, said that "nutrition plays a role in children's physical and cognitive development from early on, even before they are born. We can't rely

(MORE)

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on physical symptoms to warn us that children are poorly nourished or nutrient deficient because learning may be affected before noticeable signs of malnutrition appear. Prevention is key."

According to the report, children of all socioeconomic levels are at risk for poor nutrition. Some children do not get enough to eat each day because their families lack money to buy sufficient amounts of food. Other children consume enough (or too much) food, but have diets high in fat, sugar and sodium that put them at risk for becoming overweight or developing heart disease or other chronic illnesses.

Many educators know from experience that when children are hungry or undernourished, they tend to be irritable, apathetic and lethargic, states the report. They often have little energy and have difficulty concentrating, all factors that can interfere with learning. In a 1990 Carnegie foundation survey of teachers, more than half of the respondents said that "poor nourishment" among students was a problem at their school.

Studies have found that children with diets adequate in calories and nutrients perform better on various achievement tests. Children in grades 3 through 6 were studied in Lawrence, Massachusetts public schools where the School Breakfast Program had just been introduced. They found that participation in the program contributed positively to the 1987 Comprehensive Tests of Basic Skills score, and reduced tardiness and absenteeism among these children. However, the School Breakfast Program is available in only about half as many schools as the National School Lunch Program.

"In order to ensure the nation's children grow up healthy and ready to learn, it is imperative that steps be taken to build on the infrastructure of child nutrition programs," said business leader William S. Woodside, chairman of IEL and co-chairman of the Consortium. "No single agency, organization, school administrator, health professional or parent can -- or should -- singlehandedly, accomplish this goal. Success depends on the ability of these diverse groups to collaborate, cooperate and combine resources and expertise."

(MORE)

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The report recommends action steps that government, health and education professionals, and parents can take to expand and increase access to child nutrition and nutrition education programs. They include:

- o Increasing funding for and expanding child nutrition programs with proven effectiveness such as WIC, Food Stamps, National School Lunch, School Breakfast, Summer Food Service Child and Adult Care Food and the NET programs.
- o Reducing the red tape and administrative requirements for the School Breakfast and Lunch Programs and eventually implementing a Universal School Breakfast and Lunch Program.
- o Expanding and enhancing nutrition education initiatives in schools.
- o Encouraging the development of innovative nutrition programs that involve children, families, educators, dietitians and others working at the community level.
- o Promoting the interconnectedness of children's health and ability to learn in school so that programs in these areas collaborate and coordinate their efforts.

*Eat to Learn, Learn to Eat: The Link Between Nutrition and Learning in Children* is a report of the National Health/Education Consortium. Comprised of leaders from 57 national health and education organizations, representing some 11 million constituents, the Consortium strives to bridge the all too often separate worlds of health and education into unified action for children. Generous support for the production of this report was provided by the American Cancer Society, the American School Food Service Association and the Prudential Foundation.

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Copies of *Eat to Learn, Learn to Eat: The Link Between Nutrition and Learning in Children* can be obtained from the National Commission to Prevent Infant Mortality, 330 C Street, SW, Switzer Building, Room 2014, Washington, DC 20201. Tel: 202/205-8364.

## FACTS CONCERNING U.S. ANTI-HUNGER SPENDING

### Food stamps

- \* Since the inception of the food stamp program with a pilot project in FY61, food stamp spending (through FY92) has totalled \$220.8 billion
- \* In FY 92, federal spending on food stamps was \$23.4 billion [\$22.4 billion U. S. + \$1. bn for Puerto Rico]
- \* FY93 federal food stamp appropriations were \$28.1 billion [US \$27.1 bn + \$1.1 for Puerto Rico]
- \* FY92 average monthly food stamp enrollment: 26.9 million persons [25.4 mil persons US + 1.5 mil persons in Puerto Rico]
- \* FY93 latest enrollment totals (Jan 93 figures): 28.3 mil persons [26.8 mil US + 1.5 mil persons Puerto Rico]

### Recent Total USDA Appropriations for Food Assistance

- \* \$32.7 billion on Food & Nutrition Service programs (appropriations) in FY92. This represented 62 percent of all USDA appropriations for FY 1992.
- \* \$38.4 billion on Food & Nutrition Service programs (appropriations) in FY 1993.
- \* In addition to these USDA domestic food assistance appropriations, approximately \$1 billion a year worth of domestic food assistance support is provided through donated "bonus" commodities acquired by USDA (not included in appropriations figures), and by the Dept. of Health & Human Services (elderly nutrition programs) and the Federal Emergency Management Administration (FEMA).

**Other (non-food-stamp) Enrollment Figures for FY 1992.**

* School lunch program:	24.6 million children
* School breakfast program:	4.9 million children
* Child care food service program:	1.7 million children
* Summer food service program:	1.9 million children
* WIC Program	4.2 million children
* Emergency Food Assistance Program:	2.5 million households

**Special note:** A survey of all the nations of the world for which we have national government spending figures reveals that only 21 nations have a total national government budget which is greater than the figure which the U.S. Congress appropriates to USDA's Food & Nutrition Service.

*\* Above compiled by the House Agriculture Committee press office from information provided by the Congressional Research Service of the Library of Congress and from Central Intelligence Agency published reports.*

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Testimony of Alan G. Hassenfeld  
Chairman, Chief Executive Officer, Hasbro, Inc.

in support of the  
Mickey Leland Childhood Hunger Relief Act

Hearing before the House Agriculture Subcommittee on  
Department Operations and Nutrition

April 28, 1993, Washington, DC

I am very sorry that I am unable to join you today to show my support for the Mickey Leland Childhood Hunger Relief Act. One year ago I spoke at a House/Senate press conference urging passage of this same bill. My belief in the importance of this bill to our nation's well-being has only grown stronger over the past year.

I am also pleased to enter into the record the C.E.O. Statement in Support of the Mickey Leland Childhood Hunger Relief Act. More than 25 corporate leaders signed this statement last year and have expressed their continued support for passage of the Leland bill.

As a corporate leader, I am very concerned about the extent and impact of hunger in this country. It is terribly wrong that millions of American children go hungry every month.

The good news is that hunger is a problem we can readily solve. Unlike some developing nations where resources are scarce, America has enough food to feed all our people. We have in place a system of federal food assistance programs which can feed all hungry Americans.

But we must be willing to utilize these tools so that no more Americans go hungry. The Leland Bill is a critical step on the road to ending hunger in the U.S. The bill maximizes the effectiveness of one of our most important nutrition programs. Moreover, the bill protects our most vulnerable citizens -- more than 90 percent of the Leland bill's provisions are targeted to families with children.

(continued)

In my judgement, we ignore the fact of hunger at our own peril. Hunger hurts the nation even as it hurts the hungry. Increasingly, the scientific literature shows that when children do not receive adequate nutrition, their cognitive development suffers. This means that hungry children will not succeed in school. Ultimately, hunger impedes the productivity of our workforce and our future ability to compete in world markets. To stay competitive, U.S. companies must have access to highly skilled, highly educated workers who can adapt to an increasingly complex, technological workplace.

We must invest in the health of our citizens, especially the children. If we do not, we will bear the cost of hunger twice: now and in the future. We will pay the price of hunger many times over if we allow it to continue unabated:

I am thrilled to hear our policymakers begin to speak the language of investment. And, the most important investment is in people. My colleagues and I believe we must invest in the Mickey Leland Childhood Hunger Relief Act. We urge Congress to take advantage of the double opportunity presented by the Leland bill -- the opportunity to keep our children and families healthy, and the opportunity to strengthen our nation's economic productivity.

(Attachments follow:)

### C.E.O. Statement in Support of the Mickey Leland Childhood Hunger Relief Act

We come together as chief executives of major American corporations to declare that hunger in the United States is unacceptable and that it must be ended.

We strongly support the Mickey Leland Childhood Hunger Relief Act the most important anti-hunger legislation proposed in the last 16 years. We urge Congress to take advantage of the double opportunity presented by this bill -- the opportunity to keep our children and families healthy, and the opportunity to strengthen our economic productivity as a nation.

We recognize that we risk the health and vitality of our nation when we allow our children to grow up lacking necessary supports. Over the past decade, for example, we have become especially concerned about the quality of their education.

Six years ago the business community issued a statement asserting that we must improve not just the school systems, but the lives and living conditions of children within those schools. Today we echo this sentiment. We believe that early investment in our children is an important way to break the vicious cycle of disaffection and despair.

Nowhere is this despair more evident than in the face of a hungry child. Sadly, millions of American children go hungry every month. This is morally wrong. Hunger weakens their growing bodies and poses a peril to their developing brains. It saps their ability to learn and drains their enthusiasm to succeed.

For the U.S. to remain competitive in the future, the health and well-being of our children needs to be a priority today. Hungry children are deprived of the opportunity to develop and reach their full potential. They cannot pay attention in class and will not learn essential skills which will enable them to be productive adults. As hungry children are deprived of opportunities, so will our nation be deprived of their lost contributions.

The tools for solving the problem of hunger are within our grasp. Passing and funding the Leland Bill is a critical step toward maximizing the effectiveness of one of our most important nutrition programs.

More than 90 percent of the Leland Bill's provisions are targeted to families with children. The bill allows ways for families to save on excess housing costs without losing food stamp benefits. It updates limits last set in 1977 on the fair market value of vehicles that recipient families may own. It provides child support payment incentives for both custodial and absent parents. And, it helps families obtain nutritious diets in the economy of the 1990's.

A 1992 survey by *Wall Street Journal* pollster Vincent Breglio shows that a majority of American voters joins our call to end hunger. Nine out of 10 voters rank hunger as the most solvable of a list of national problems, and more than 80 percent express support for programs that benefit children.

A nation that fails to feed its young is a nation that jeopardizes its future. We recognize that America's competitive strength is dependent upon more than sleek, new factories and high technology. America is dependent upon a healthy, skilled and educated workforce that is able to create and adapt to an increasingly technological workplace.

We should wait no longer to end hunger. If we do not act now, we will bear its cost twice: now and in the future. The most important step right now is for Congress to fund the Leland Bill. Funding Leland is a wise investment. It will protect our most vulnerable and precious resource -- our children. And it will strengthen America.

CORPORATE EXECUTIVE ENDORSERS OF STATEMENT IN SUPPORT OF  
THE MICKEY LELAND CHILDHOOD HUNGER RELIEF ACT  
1993

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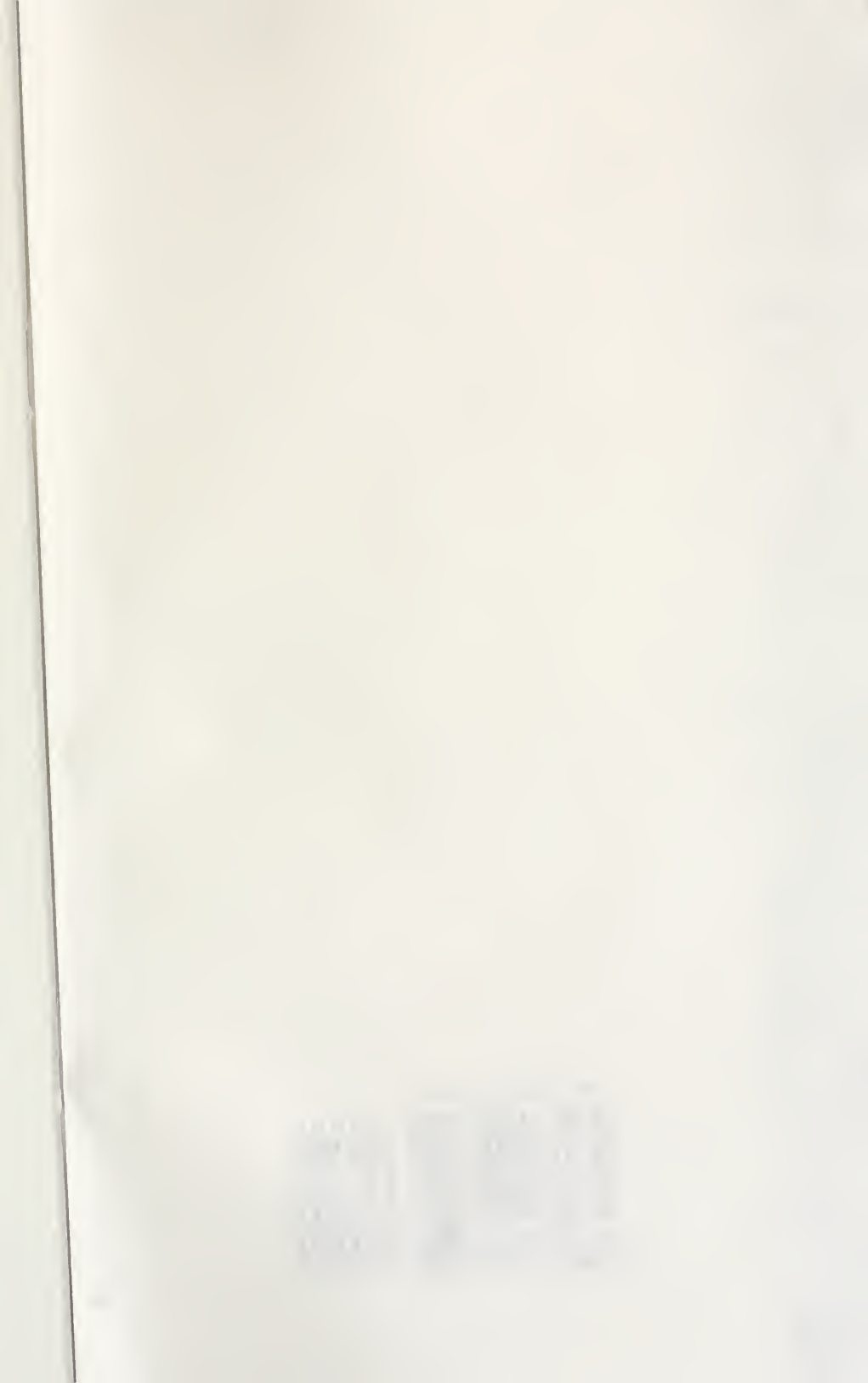


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